



Te Pūrongo ā-Tau 2022/23 Annual Report

NAU MAI WELCOME FROM THE MAYOR AND CHIEF EXECUTIVE

If we were asked to describe the 2022-23 financial year in one word, it is the word uncertainty that springs to mind. As we settled into life with many COVID-19 restrictions having been lifted, we found ourselves faced with a number of new challenges.

Like all other local authorities in New Zealand, we were faced with an unprecedented number of reforms being advanced by Central Government, and ones in which there had been little consultation. These included the constant moving parts to the Affordable Waters Reform, with a name change and growing from four entities to 10, National Policy Statements on Urban Intensification, and the Protection of Prime Agricultural Land. Much of these moves caused a stir in the community and brought with them significant cost in both time and money.

It would be fair to say, the Government has had a big agenda for the centralisation of services which will distance our community from Council as the service delivery agents. The political landscape of an election year has compounded and exaggerated the uncertainty, with opposition parties advising they will repeal much of this legislation if they form a government. As this was being written, many of our plans for the future

were hanging on the outcome of the October General Election.

Financially, along with the rest of the country, we are facing increasingly strong headwinds. Difficult economic conditions and big inflation and interest rate pressures have the potential to impact rates affordability for some of our residents. This is a concern for us all. Early responses by staff, as we prepared our 2022/23 Annual Plan, meant the average rates increase was contained to the expected level and set without the need to cut back key services from what had been outlined in the 2021-2031 Long Term Plan.

However, even with this high level of distraction, we have continued to look forward as an organisation in the face of shifting expectations from our community. This year we asked the community for feedback on our future. The Ahu Ake – Waipā Community Spatial Plan received unprecedented levels of community engagement. This puts us in a strong position when it comes to advocating for the services and allocating the resources we need for our future. The results of our resident’s perception survey were disappointing but provided confirmation that some levels of service warranted our

immediate attention. Along with our community, we were disappointed by the contracted recycling service standards this past year. The driver shortage and massive contamination issues that led to the disposal of huge volumes of recycling and resulted in additional disposal fees of up to \$30,000 a month, was disheartening.

We’ve also had to weather the storms this year. The constant rain has caused considerable surface damage to our roads and impacted the maintenance schedule throughout the district for the entire year, not just the winter months. Speaking of storms, we cannot forget the impacts of Cyclone Gabrielle in February. A significant storm that caused months of clean-up in Waipā. All council staff were on high alert as the storm rolled in. Our customer support team took hundreds of calls, our parks crews, transport teams and contractors worked tirelessly to get roads open, paths cleared, and the district to a safe state in the days following. More than 100 Council-owned trees fell in Cambridge alone. Staff assisted in the civil defence response following these events in our own area and were also deployed to support Thames/Coromandel and Hawke’s Bay in their response. The connection and shared support our people offered was inspiring as we recovered from it all.

Our thoughts will continue to be with other areas that are still reeling from the devastation.

If this year has taught us anything, it's that there is no denying the impacts of climate change or how vital good planning and infrastructure development is.

However, there were also some highlights. The overall quality of life benchmark was above average for Waipā in the perception survey results, compared with other councils surveyed.

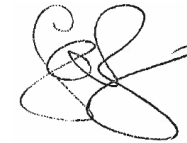
We also hosted 3000 athletes and visitors to the district for the International Breast Cancer

Participatory Dragon Boat Festival and celebrating these cancer survivors and painting the town pink in Cambridge was a great boost for the community.

We partnered with Ngāti Apakura, Ngāti Koroki Kahukura and the Cambridge Town Hall Trust in their celebrations of Matariki for the first time too. Events like these certainly bring our district to life.

As we look ahead to the 2024-34 Long Term Plan, our focus to build connected communities will be at the forefront of decision making for staff and elected members. No matter what challenges

may lie ahead we will continue our work to develop a strong future for the Waipā District and its people.



Susan O'Regan JP
Waipā Mayor



Garry Dyet JP
Chief Executive

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NGĀ KORERO MO TO TĀTOU TAKIWA / OVERVIEW OF OUR DISTRICT

In this section

This section includes an overview of the Waipā district, an overview of Council's role, and a 12-month snapshot of our 2022/23 year.

3.1 ROHE / OUR DISTRICT

The Waipā District is home to approximately 60,500 residents and sits in the heart of the Waikato. Our 1,447km² land area includes some of New Zealand's most fertile land. From our varied agricultural land to our urban hubs of Te Awamutu, Cambridge, Kihikihi, Pirongia, Ōhaupō, and Leamington, we have so much to offer in terms of lifestyle and industry. Our rural community makes the most of our rich soils with dairy farming, as well as sheep, beef and deer farming, thoroughbred horse studs and fruit production.

We're immensely proud of our farming and rural heritage and this spills over into events too. We're proud to host the National Agricultural Fieldays in Waipā, the largest annual agricultural exhibition of its kind not only in New Zealand but in the Southern Hemisphere. It's an event that attracts visitors from all over the world to the first-class venue Mystery Creek, in Kaipaki. We are also the home of the Grassroots Trust Avantidrome and Mighty River Domain Lake Karāpiro which host hundreds of events each year, from

national track cycling to Waka Ama championships. This means some of New Zealand's highest performing athletes choose to live, train, and compete in Waipā.

Our natural heritage is an important part of Waipā's identity. Our three maunga – Pirongia, Maungatautari and Kakepuku are right on our doorsteps. We are staunch supporters of protecting our ecological corridors and it is showing it's worth, with Waipā now home to four male kākāpō at Sanctuary Mountain, Maungatautari.

We are also home to some vast waterways, from our large hydro lake used extensively for water sports and recreation at Lake Karāpiro, to our Waipā and Waikato rivers flowing through our district. Our smaller peat lakes are considered some of the best examples of their type in the world. All of this makes Waipā a great place to live, relax and invest in.



Population	Age composition	Ethnicity ³	Economy ⁵
<ul style="list-style-type: none"> ▪ 60,500¹ 	<ul style="list-style-type: none"> ▪ 20% aged 0-14 ▪ 61% aged 15-64² ▪ 19% aged over 65 	<ul style="list-style-type: none"> ▪ 77% NZ European ▪ 16% Māori ▪ 5% Asian ▪ 2% Pacifica ▪ 0.32% MELAA⁴ ▪ 1.16% Other ▪ 7.67% Maori/European ▪ 0.26% Maori/Pacific ▪ 0.54% Pacific/European ▪ 0.42% Asian/European ▪ 0.40% Two groups not elsewhere included ▪ 0.45% Maori/Pacific/European ▪ 0.21% Three groups not elsewhere included ▪ 0.02% Four to six groups 	<ul style="list-style-type: none"> ▪ 8,511 business units (2022) ▪ Average household income \$129,862 ▪ \$124,589 GDP per filled job

¹ Estimated resident population sourced from Infometrics Regional Economic Profile for Waipā District 2022.

² Data sourced from StatsNZ subnational population projections (medium growth projection) 2018 (base)- 2048 update (dated December 2022).

³ Data sourced from StatsNZ subnational ethnic population projections (medium growth projection) 2018 (base)- 2048 update (dated March 2022). The minor group affiliations percentages are taken from the Stats NZ 2018 dataset.

⁴ Middle Eastern/Latin American/African

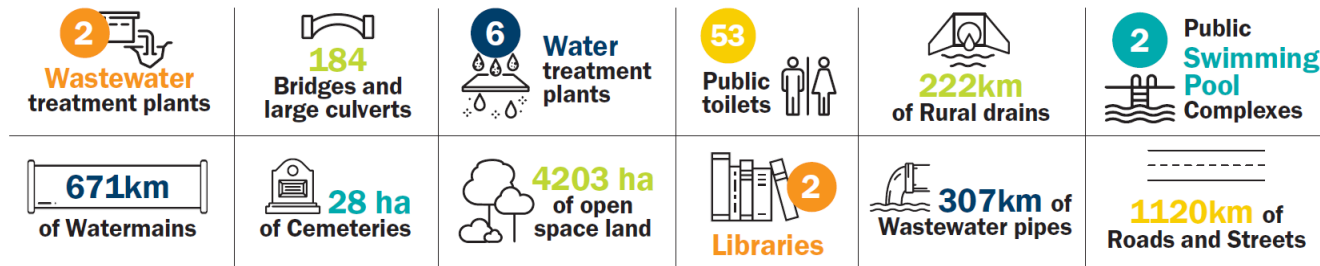
⁵ Data sourced from Infometrics Regional Economic Profile for Waipā District 2022.

3.2 OUR ROLE

Our role is to support the current and future needs and advance the aspirations of our communities, the district and the region. Council delivers an extensive range of services to Waipā – from cemeteries and parks to parking and pools, water services to roading infrastructure, libraries to museums, cycleways to road safety, waste minimisation to recycling and more.

We are responsible for controlling regulatory activities such as building, land use, noise, food preparation, liquor sales and ownership of dogs and other animals. The services we deliver all help to achieve our district’s strategic vision - Waipā Home of Champions: Building connected communities.

Our key infrastructure includes:



The Council is elected every three years and is responsible for setting the overall strategic direction of the district and the budget through Long-Term and Annual Plans.

It also has the following roles:

- Ensuring Council fulfils its responsibilities and follows the principles of Local Government as set out in the Local Government Act 2002.
- Setting the policy direction of Council. Monitoring the performance of Council in terms of meeting its responsibilities and achieving its policies.
- Representing the interests of the district (when all elected members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgement in the best interests of the district).
- Employing the Chief Executive (under the Local Government Act, the local authority employs the Chief Executive, who in turn employs all other staff on its behalf).

Council may create one or more committees of Council. A committee must have a chairperson, who is responsible for presiding over meetings of the committee, ensuring that the committee acts within the powers delegated by Council, and as set out in the Council’s Delegations Register.

3.1 12-MONTH SNAPSHOT

July 2022

War Memorial Park bridge replaced

Work began on replacing two bridges in Te Awamutu’s War Memorial Park, despite some challenges in sourcing materials. The upgrades are part of the wider concept plan for the area. The two bridges were designed in collaboration with mana whenua and the Te Awamutu Returned and Services Association (RSA). The overall project aims to strengthen connections to the Mangaohoi and Mangapiko Streams through storytelling signage, and revitalising the playground, adding a māra hūpara play trail and maintaining memorial features such as the Peace Fountain, Pergola and stone wall.



August 2022

Museum wins education contract

Te Awamutu Museum welcomed students from all over the North Island as it began another three-year contract with the Ministry of Education. The museum is the only Waikato museum to have secured a prestigious contract from the ministry to enrich local curriculum experiences.



September 2022

Light show honouring Queen

We joined many people around the world honouring Queen Elizabeth II with iconic pictures from her reign lighting up Cambridge’s Town Hall. The images included the Queen and the Duke of Edinburgh on the front steps of the Cambridge Town Hall in 1954, the first ever visit to New Zealand from a reigning monarch. We also opened the refurbished Skate and Parkour Park at Centennial Park in Te Awamutu.



October 2022

New Mayor elected

Mayor Susan O’Regan won the Mayoralty in the local body elections, with Liz Stolwyk being appointed Deputy Mayor. Two new councillors and three new community board members joined the elected team.



November 2022

An award-winning month!

Two projects received awards in November. The Perry Aquatic Centre Puna Kaukau o Te Oko Horoi Development in Cambridge claimed the Central Property People Awards for Urban Design, and the Ahu Ake – Waipā Community Spatial Plan project took out a top geospatial award at the Asia Pacific Spatial Excellence awards.



December 2022

Waka Kotahi supports new walking and cycling paths

Waka Kotahi backed two new walking and cycling paths in Waipā to the tune of \$10.4 million. The two projects in Cambridge and Kihikihi are part of the government’s transport choice programme aimed at opening streets and helping people safely opt out of cars.



January 2023

Mayor seeks young leaders to ‘step up, give it a go’

Mayor Susan O’Regan began the hunt for smart, inspiring young people to join the Tuia programme. The programme is an intentional, long term, intergenerational approach to develop the leadership capacity of young Māori in communities throughout the country. Maude Rewha from Te Awamutu was selected in March.



February 2023

We recovered from Cyclone Gabrielle

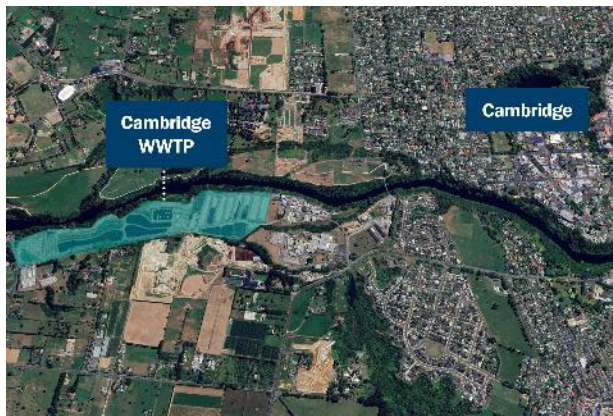
The North Island was hit by Cyclone Gabrielle, which caused immense damage in Waipā, particularly in Cambridge. Our amazing staff kept things humming as they joined forces with other Councils in the official civil defence response and ensured our call centre team was available to take our communities calls. Staff continued the clean-up with contractors for months after the storm, tidying up the mess left by more than 100 damaged and fallen trees!



March 2023

Council awards largest contract ever

We awarded our largest contract, to the tune of \$86 million for a brand-new wastewater treatment plant for Cambridge. The plant will receive, treat and discharge wastewater from Cambridge, Leamington, Hautapu and Karāpiro Domain. It will replace the existing plant at Matos Segedin Drive in Cambridge west, which has been operational since the late 1970s.



April 2023

It was all on in Waipā!

We had events happening almost every weekend in April. We welcomed 3000 paddlers from every corner of the globe for the International Breast Cancer Participatory Dragon Boat Festival. We painted the town pink while the athletes raced at Mighty River Domain Lake Karāpiro. We also opened the newly refurbished John Rochfort Park in Kihikihi and held an engagement event at Leamington Domain in Cambridge to ask the community how they want the space developed in the years to come.



May 2023

King's coronation honoured in Waipā

The coronation of His Majesty King Charles III, New Zealand's Sovereign, was honoured in Waipā with community facilities lit in royal purple and two tree planting ceremonies in Te Awamutu and Cambridge.



June 2023

Council staff doggy-deep in feedback

We asked and you responded! We received 275 formal submissions about dogs as part of our Dog Control Bylaw and Policy consultation. We knew this would be a hot topic for our community following significant community feedback received last year, which helped us prepare the proposed dog policy and bylaw.



WHAKARĀPOPOTOTANGA O Ā MĀTOU MAHI / OVERVIEW OF OUR PERFORMANCE

This section highlights Council's overall non-financial performance as it relates to resident perceptions and levels of service performance measures. It also covers our strategic framework, external and internal strategic priorities which impact the way we work, as well as a summary of our performance and contributing factors.

4.1 OUR STRATEGIC DIRECTION

Waipā Home of Champions – Building Connected Communities

Every three years we review our strategic direction, revisiting our vision, community outcomes and external strategic priorities based on changes in the district to make sure we remain on track. We completed this review as part of the 2021-2031 Long Term Plan, *What's next, Waipā*, that was adopted by our Council on 30 June 2021.

Our vision is Waipā - Home of Champions, Building Connected Communities, which identifies and celebrates the district and its

champion communities, and all things residents love about living and working here. It also highlights 'connection', which was heightened in our communities through the COVID-19 lockdown. Our vision shapes the development of our projects, services, activities, and programmes of work we're planning for the next 10 years.

Social resilience, culture and heritage, a sustainable environment, and supporting a thriving economy continue to shape our priorities for the next ten years

We monitor the progress of our community outcomes through a number of indicators.

These measures were selected as part of the development of the 2021-31 Long Term Plan and based on the ability to look at trends over time. Of the 26 we monitor 38% of those measured remained on track. Two had no data available at year end.

Below is a snippet of performance of a smaller subset of the measures against our community outcomes. We look for meaningful change over the longer term.

This is only one part of our strategic framework. The vision and community outcomes provide our strategic direction.



Socially Resilient

He aha te mea nui o te ao? Māku e kī atu he tangata, he tangata, he tangata! – it’s all about people

- Waipā is a great place to live, work, play and invest
- We invest in hauora and support the great work community groups do
- Waipā provides a high quality of life for current and future generations



Over the past year:

- Local contribution remains an important part of Council’s procurement strategy with key metrics tracked and positive.
- The percentage of residents that perceive Waipā as a great place to live, learn, work and play. decreased over the year. Engagement with the community on Ahu Ake, Waipā’s community spatial plan, will provide further opportunities for residents to provide feedback.

Environment Champions

Protecting and sustaining our environment

- Environmental awareness and responsibility is promoted within the community
- We support programmes that promote environmental sustainability
- We are responsive to climate change



Over the past year:

- Council’s carbon footprint continues to be monitored. While the trend has increased actions are in place to improve over time.
- We continue to provide education to our community in regard to waste minimisation with 3545 face to face participants over the year.
- While recycling volumes haven’t reach target Council is taking proactive steps to improve the service.

Cultural Champions

Promoting our culture and heritage

- We champion the unique history of Waipā
- We have a high level of cultural awareness
- We partner with tangata whenua
- We respect the cultural diversity in our district



Over the past year:

- Usage of Council’s Te Ara Wai Journeys website continues to grow.
- 27% of our workforce have now completed tikanga awareness training.
- Closure of Council’s Te Awamutu Museum for health and safety reasons reduced visitor and LEOTC numbers. However, the Te Awamutu Museum Education and Research Centre is now open.

Economically Progressive

Supporting a thriving, sustainable economy

- We have financially sustainable decision making and work programmes
- We provide new infrastructure as an economic stimulus for our district
- Our services provide excellent value for money
- We actively promote our district to enable development, employment and business opportunities
- Waipā is a great place to invest and do business



Over the past year:

- Annual tourism expenditure and money spent locally grew since last year.
- We continued to comply with the National Policy Statement – Urban Development 2020 requirements.
- Residents’ perception of value for money remained static.

4.2 EXTERNAL STRATEGIC PRIORITIES



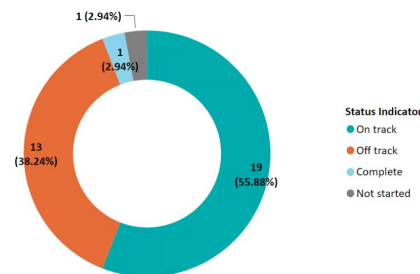
Our external strategic priorities set the direction of Council's Long Term Plan and guide where investment will be made over a ten year period. They support the delivery of Council's vision and Community Outcomes.

We reset these every 3 years as part of the development of the Long Term Plan in consultation with the community. We track a number of lead and lag indicators to understand how we are performing against the delivery of our external strategic priorities. Out of a total of 34 indicators measured for the 22/23 year 20 were completed or on track.

Highlights over the past year:

- An extensive community engagement programme on Waipā's Community Spatial Plan was completed. Council attended 40 events and presentations and received over 2000 pieces of feedback. Te Awamutu and Cambridge skatepark developments were completed.
- The development of the 2024-34 LTP progressed well with Elected Members confirming a revised strategic framework to guide the plan.
- Urban mobility network began with design work underway for Cambridge and Kihikihi pathways.
- Works began on ten new pensioner housing units in Cambridge.
- Transition programme actioned with the new Cambridge Town Hall Community Trust.
- Council's Waste Minimisation and Management Plan was reviewed with input from the community. Planning for a food waste service is underway.
- Significant progress made on the 'Cambridge connections' – Our future transport plan business case.

External Strategic Priority Status



4.3 INTERNAL STRATEGIC PRIORITIES



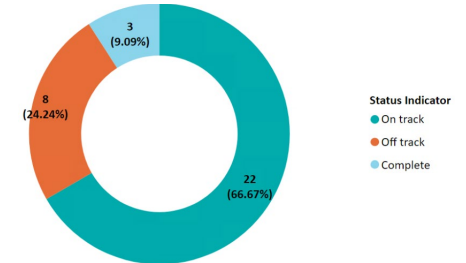
Each year Council's Leadership Team develops a set of internal strategic priorities linked to a set of Organisational KPIs.

These internal priorities are deemed the most appropriate focus areas to sit alongside and assist the delivery of the external strategic priorities. They aim to drive the organisation to continually improve performance over time. We track a number of lead and lag indicators to understand how we are performing against the delivery of our Organisational KPIs. Out of a total of 33 lead and lag indicators measured for the 22/32 year 25 were completed or on track.

Highlights over the past year:

- 50 staff attended Tikanga training with the Waikato University.
- Progression of the internal audit programme continued with ten multi-year improvement programmes underway.
- Council has a robust carbon baseline established and action plan developed to positively impact carbon emissions over time.
- Work on a number of plans progressed to enhance both external and internal communication.
- The triennial election was held with the Elected member induction programme completed with positive feedback.
- Digital capability grew with a number of digital projects delivered.
- Staff engagement remained high with overall engagement two percent higher than the previous year.

Internal Strategic Priority Status



4.3 RESIDENT SURVEYING

Regular resident surveying is an important avenue for Council to engage with our community to gain a better understanding of their thoughts and opinions and identify areas for improvement.

Council initiated a new annual resident survey in the 2015-16 year to help Council understand how it is tracking against its community outcomes, strategic priorities and levels of service. Carried out by an independent research company, the survey focuses in particular on resident perceptions of the environment and lifestyle associated with the Waipā district, satisfaction with Council services, leadership, financial management and value for money. To help to avoid bias and detect seasonal trends the survey is carried out four times throughout the year with the aggregate results reported at year end.

Key results

The results of the survey 2022-23 indicate it has been another challenging year and influenced by a number of factors. The district is still recovering from COVID-19 with the current economic environment difficult; escalating supply chain costs and interest rates are impacting affordability. Several Central Government reforms are underway creating uncertainty. The district has also experienced a number of weather events with a wet year overall affecting the delivery of some maintenance programmes.

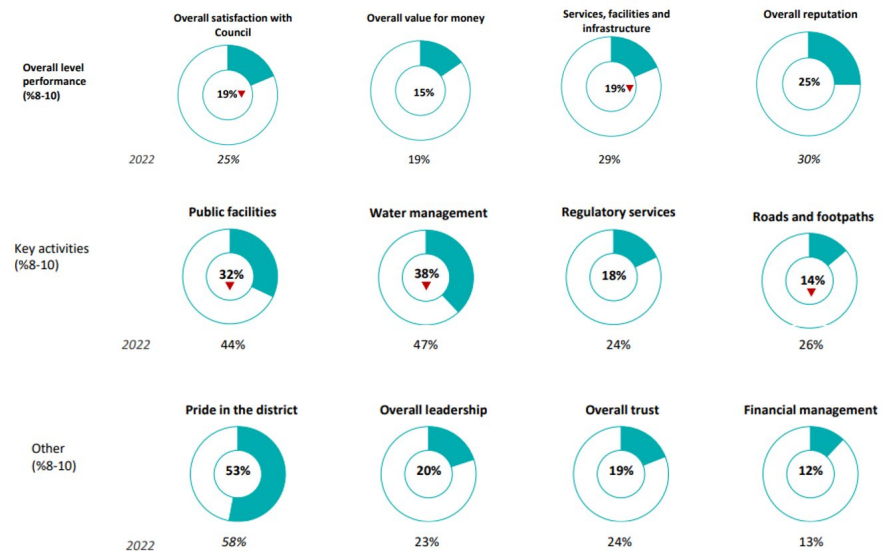
The key results show dissatisfaction across various areas with some continuing decline from the previous year. Verbatim results indicate concern in some services where Council is already actively looking to improve such as recycling services and the maintenance of roads affected by weather. There are concerns over the impact of growth and change and how Council can balance these while retaining the unique look and feel of the district.

Despite these challenges however there were results that indicated Council is on the right track. The majority of residents are still proud to live in Waipā and quality of life continues to be considered high. Council’s reputation benchmark also stayed within the ‘acceptable’ range.

Looking forward Council already has a number of pieces of work underway and planned which will positively impact many of the lower scoring areas. Of particular note is the continued development of Ahu Ake, Waipā’s Community Spatial Plan, the Cambridge Connections project and the implementation of Council’s waste minimisation strategy. A bench marking report will be available in September incorporating numerous Council’s across New Zealand which will

provide further information as to how WDC has performed in relation to the sector.

The results from the Residents Perception Survey help shape our priorities, our risk management practices and Council’s ongoing communication and engagement with the Community. We continue to work both internally and externally to improve our delivery of services and deliver on the vision for Waipā. For full results see Council’s website <https://www.waipadc.govt.nz/our-council/haveyoursay/annualresidentssurvey>



4.4 LEVEL OF SERVICE PERFORMANCE MEASURES

Our level of service performance measures set the service standard for our customers across a range of functions within our groups of activities. This was the second year of measurement against a suite of new measures implemented as part of the development of the 2021-31 Long Term Plan.

Overall, 75 measures were achieved out of a total of 113 measures (excluding measures unable to be evaluated) equating to 66.37%. A further 8 measures were within 5% of achieving the target. Detailed performance results are available under the relevant group of activity in Part 6 of this annual report.

Performance Measure Results

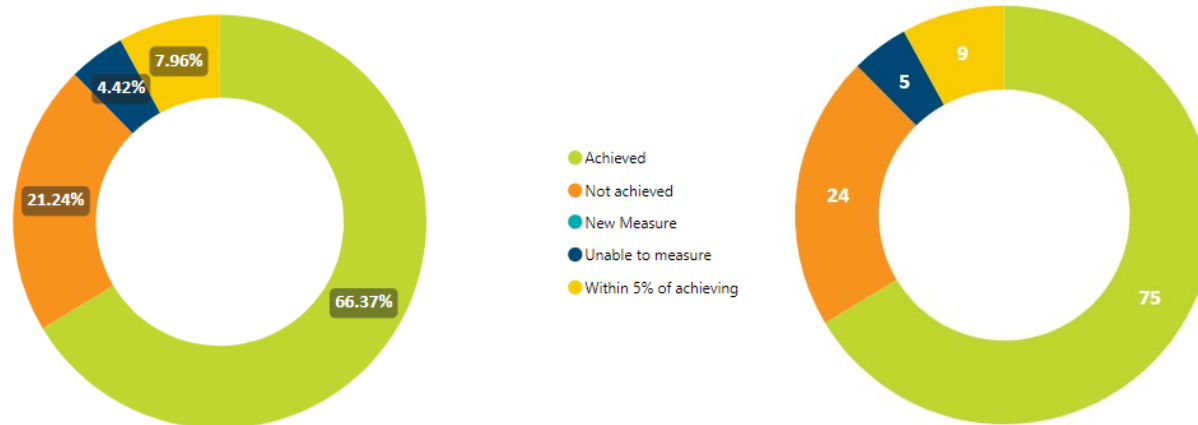
Five measures were not able to be assessed at year end:

- The Maungatautari water treatment plant is no longer active and therefore is no longer being reported on.
- The Property Services measures cannot be reported this year. This is due to staff turnover in the Property Team leading to limitations and errors in data entry which are unable to be rectified.

A number of factors have influenced the years results:

- The results for library admissions are partial. New door counters were installed at the libraries on October 21st, 2022. Prior to that date the old door counters were inactive.
- The Te Awamutu Museum was closed in October 2022 due to health and safety reasons. The closure impacted visitor numbers and left the target unobtainable. LEOTC programmes were also unable to be delivered.
- There were significant issues with Council’s recycling performance over the year, driver shortages in the labour market led to delays and high contamination rates resulted in higher volumes of waste being redirected to landfill.
- There were several weather events over the year. Overall, it was a very wet year. Lake Ngāroto experienced flooding which led to closures of the track. A public health warning was also issued due to a cyanobacterial bloom.

Overall Results



WHAKARĀPOPOTOTANGA PŪTEA / OVERVIEW OF OUR FINANCES

This section covers the financial outcomes against the 2022/23 year of the Long Term Plan and budget, which sets the direction for the year. It includes our disclosure statement, financial statements relating to revenue and expenses, changes in equity, financial position, cash flows, funding impacts and the notes accompanying these financial statements. It also includes a reconciliation, capital programme variances and details on council-controlled organisations.

5.1 FINANCIAL OVERVIEW

We've been living in trying times over the past three years. Initially we were traversing our way through a global pandemic and the significant disruption that brought us. More recently we've been caught up in some unfortunate economic headwinds, strongly influenced by the pandemic, and impacting Council in the same way that many businesses and households have been impacted. These headwinds have brought us inflation at levels we haven't seen in New Zealand for over 30 years, interest rates have lifted sharply and rapidly to the highest they have been in 15 years, and we face the prospect of recessionary contraction. These factors have had significant financial impact on Council and the results of this can be seen in the financial statements included in this Annual Report.

The Statement of Comprehensive Revenue and Expense shows an operating surplus of just \$1.1 million, considerably lower than the budgeted \$45.2 million and the \$31.3 million of the prior year. Key elements in this are diminished fees and charges revenue, diminished levels of subsidies and grants, and much lower than budgeted levels of growth-related income in the form of development and financial contributions and vested assets. In regard to expenses, inflationary elements are evident across the board, as is the impact of increased depreciation and the cost of Council's growing debt, including the impact of much higher interest rates.

Our balance sheet (Statement of Financial Position) now reflects a total equity figure of close to \$2.3 billion, with property, plant and equipment now valued at \$2.4 billion. Our Group borrowings now stand at \$226 million, considerably increased from the \$149.5 million of the prior balance date. We remain in a sound financial position.

Our annual credit rating review by international credit rating agency Fitch confirmed a continued long-term local currency Issuer Default Rating (IDR) of 'AA-', 'Stable Outlook', and short-term local currency IDR of 'F1+'. This is a significant endorsement of the financial strength and stability of the organisation, and the soundness of our financial management, even as we work our way through these headwinds.

The disclosure statement presented over the next few pages of this Annual Report is also a good news story as it shows a Council that is continuing to comfortably and consistently meet the majority of the various benchmark targets and limits required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

In regard to rates affordability our income from rates remains considerably within our upper limit of 65 percent of total revenue, reflecting the diversity of our income sources including the level of vested assets received and our determination to keep rates as low as possible.

As indicated above, although there was a substantial increase in debt over the year, we remain well below the limits related to debt affordability, debt servicing and the debt control benchmark. The graphs associated with these three measures provide a perfect pictorial indication of our capacity to take on new debt in a prudent and affordable manner – a crucially important consideration.

The essential services benchmark graph confirms our continued commitment to investing in core infrastructure, with network services capital spend at a massive 266 percent of the depreciation expense on those assets. This district does not shy away from ensuring that our core infrastructure is in good shape.

The only two benchmark measures not achieved are the operations control benchmark which has proved over a number of years to be a difficult measure to comply with given cash flow timing variations, and the balanced budget benchmark which with its various exclusions is heavily subject to the mix of revenue and expenditure items throughout the year.

Council is now putting considerable focus into the development of the 2024–34 Long Term Plan which with the economic headwinds noted earlier in this overview will make this the most challenging Long Term Plan in Waipā's

history. The focus will be on landing a Long Term Plan that ensures continued investment in our core infrastructure, while maintaining the amenity value this district is known for, and affordability. Waipā, like all local authorities in New Zealand, will be up against the triple challenges of inflation, high interest rates and increasing depreciation expense. We also face considerable uncertainty with the October 2023 election results pointing to the creation of a new Government which has indicated it will repeal some of the key legislative initiatives of the outgoing Government, some of which have massive impact on the activity and finances of local government, for example the 'affordable waters' reform. Navigating these seas will be difficult, but the Waipā waka is in good shape as we start the voyage.



Ken Morris QSM, CA

DEPUTY CHIEF EXECUTIVE AND GROUP MANAGER BUSINESS SUPPORT / CHIEF FINANCIAL OFFICER

5.2 FINANCIAL PRUDENCE

Disclosure Statement

Annual report disclosure statement for year ending 30 June 2023 - What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The Council is required to

include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

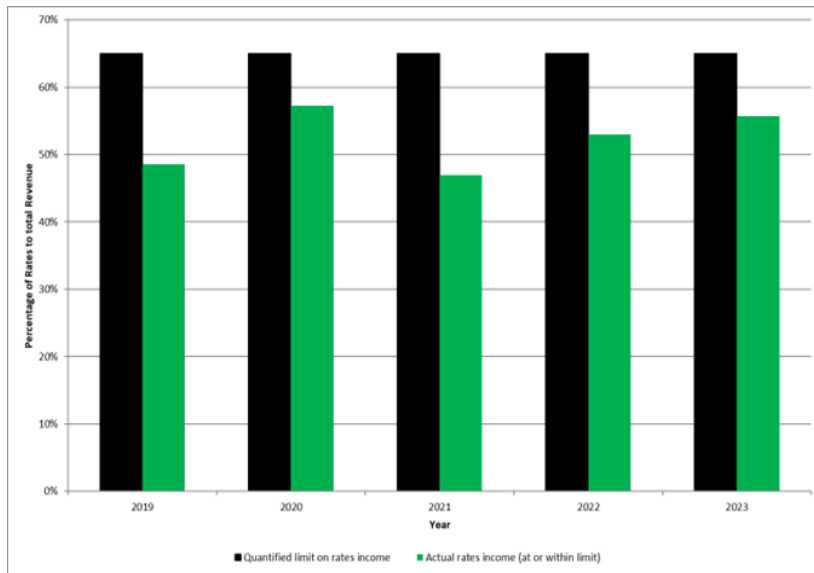
Rates affordability benchmark

The Council meets the rates affordability benchmark if –

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

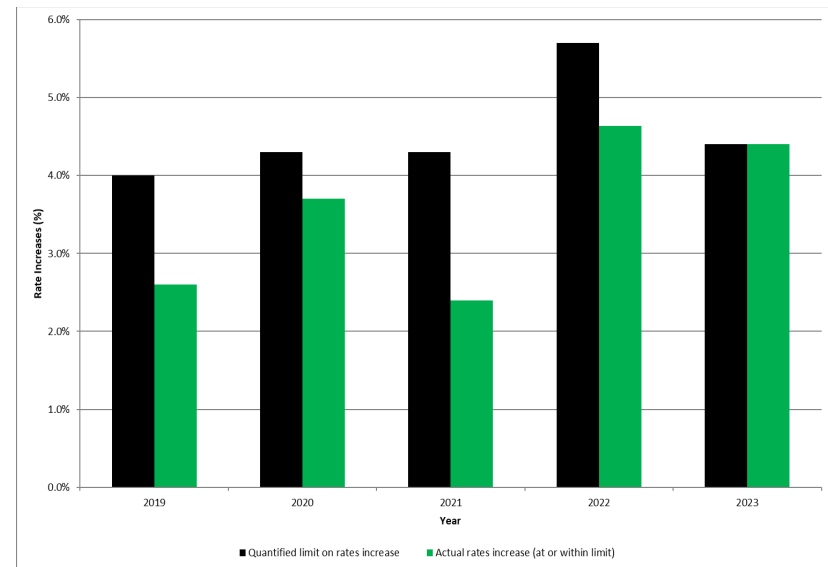
Rates (income) affordability

The following graph compares the Council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long term plan. The quantified limit is limiting rates levels to a maximum of 65 percent of our total revenue.



Rates (increases) affordability

The following graph compares the Council’s actual rates increases with a quantified limit on rates increases included in the financial strategy, which is included in the Council’s long term plan. The quantified limit is Council will limit annual increases in the average rate requirement (after growth) to no more than the forecast Local Government Cost Index for that year plus 2 percent.

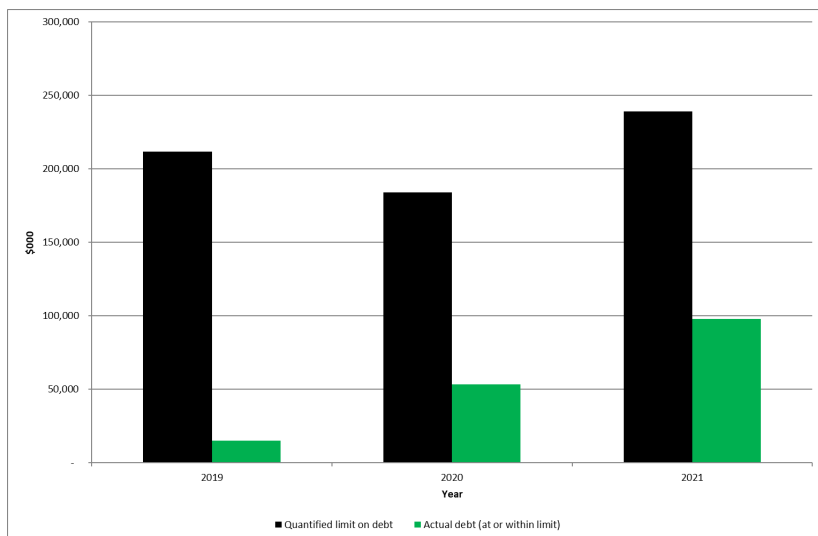


Debt affordability benchmark

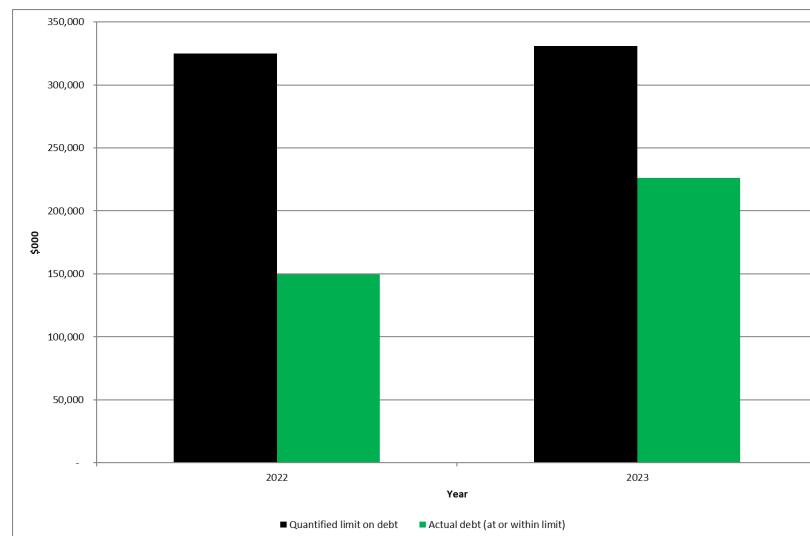
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s long term plan. The quantified limit was the debt profile in Council’s Long Year Plan.

As part of the 2018/28 LTP, the basis for the external debt limit changed from 110% of budgeted debt to a more relevant limit of 175% of total revenue. This change in prudential limits was more in line with what other Councils use, and is portrayed in the graph below.



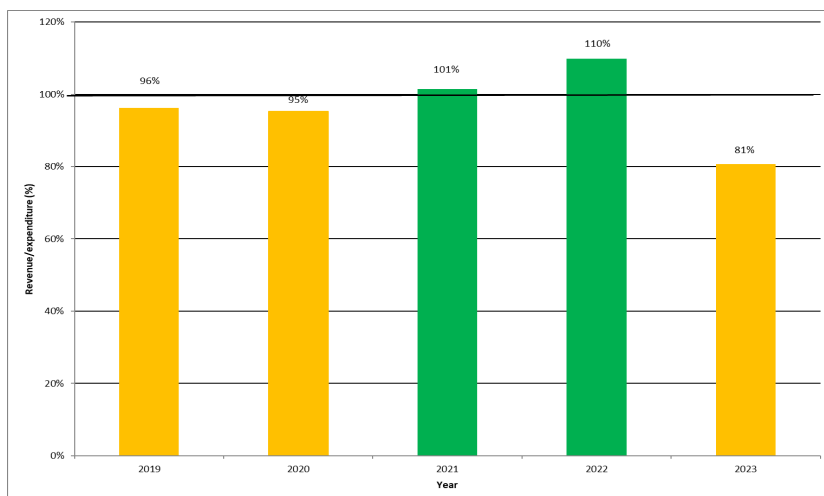
As part of the 2021/31 LTP, the basis for the external debt limit changed from 175% of total revenue (as portrayed in the graph beside this) to a more relevant limit of 250% of total revenue. This change in methodology is more in line with what other Councils use, and is portrayed in the graph below.



Balanced budget benchmark

The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, and equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



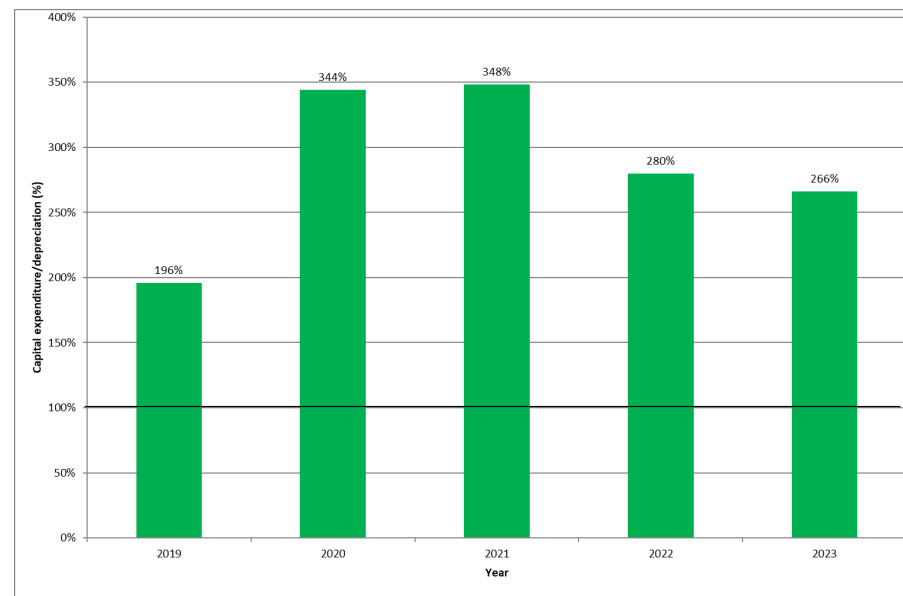
■ Benchmark met ■ Benchmark not met

Discovered assets have been excluded from 2019 onwards, due to legislative requirements.

Essential services benchmark

The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services.

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

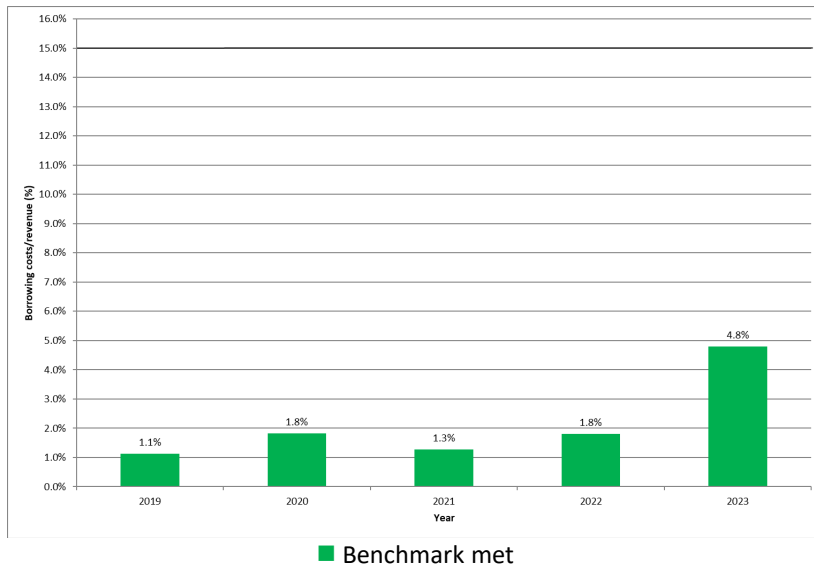


■ Benchmark met

Debt servicing benchmark

The following graph displays the Council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment).

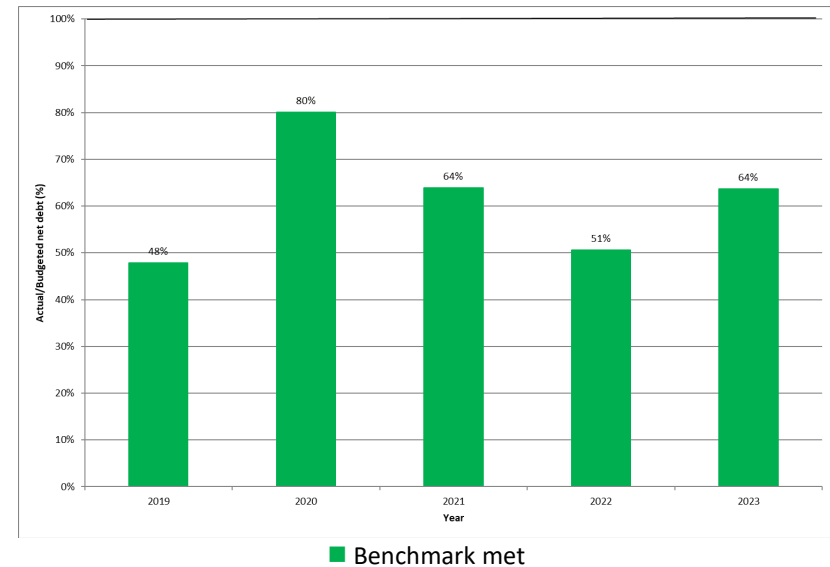
Because Statistics New Zealand projects the Council’s population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt control benchmark

The following graph displays the Council’s actual net debt as a proportion of planned net debt. In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables).

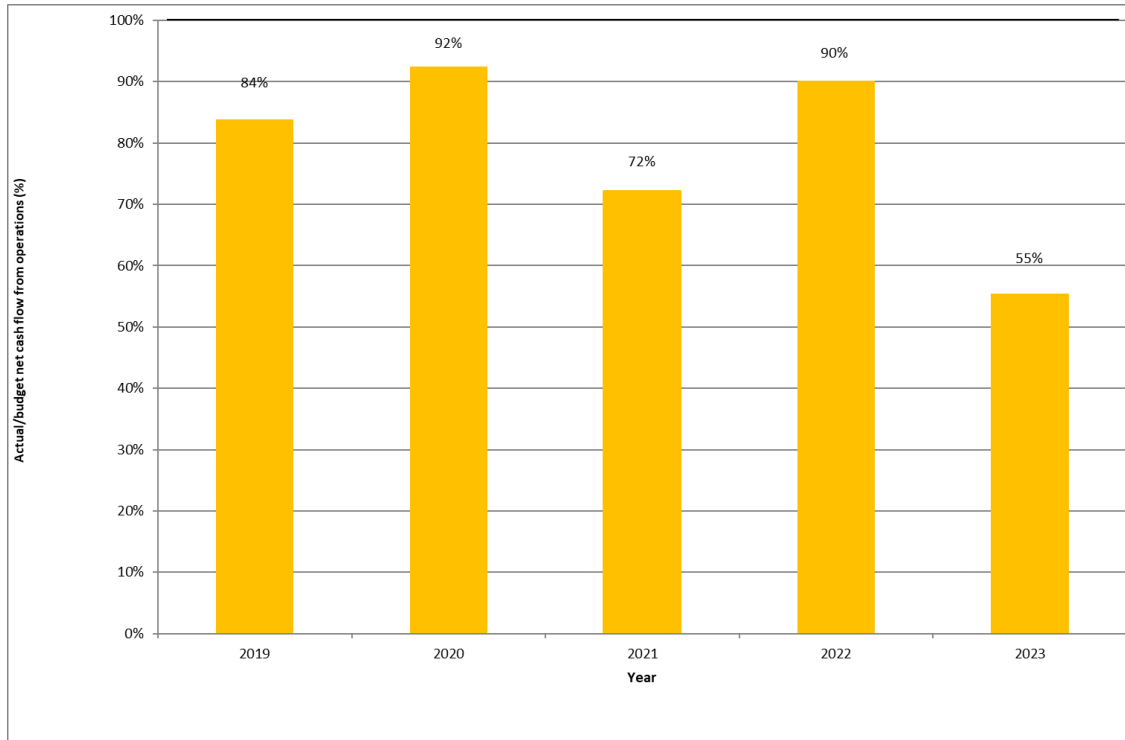
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays the Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



■ Benchmark met ■ Benchmark not met

It is difficult to budget cash flows as various operational factors influence the timing and quantum. Although the operations control benchmark was not met, Council generated cash from operating activities amounting to \$31.2million for the year compared to the budget of \$56.3 million.

5.3 STATEMENT OF COMPLIANCE

The financial statements of the Council and group have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The Statement of Service Performance has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period and complies with PBE financial reporting standards.

A handwritten signature in black ink, appearing to be "S O'Regan".

Susan O'Regan JP
MAYOR

A handwritten signature in black ink, appearing to be "G Dyet".

Garry Dyet JP
CHIEF EXECUTIVE

5.4 STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE FOR THE YEAR ENDED 30 JUNE 2023

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		\$000	\$000	Restated \$000	Restated \$000	Restated \$000
REVENUE						
Rates	3	73,711	77,074	68,925	73,711	68,925
Fees and charges	3	19,064	24,089	17,896	21,688	19,625
Reserve contributions	3	957	2,152	308	957	308
Development contributions	3	6,674	23,388	4,261	6,674	4,261
Gain on revaluation	4	-	450	8,259	-	8,259
Vested assets	3, 32	10,712	12,126	17,479	10,712	17,479
Discovered assets	3	7,915	-	78	7,915	78
Dividends	3	83	20	3	83	3
Finance revenue measured using effective interest method	3	538	15	88	571	91
Subsidies and grants	3	11,432	16,928	14,904	11,463	15,068
Other revenue	3	951	454	427	1,016	1,025
Total Revenue	32	132,037	156,696	132,628	134,790	135,122
OPERATING EXPENDITURE						
Employee benefit expenses	5	29,321	32,147	27,763	32,598	30,900
Depreciation & amortisation	13-15	33,400	31,848	30,733	33,498	30,861
Other expenses	6	60,643	44,610	40,797	59,429	39,793
Finance costs	7	5,458	2,892	2,005	5,458	2,005
Loss on revaluation	4	2,163	-	-	2,163	-
Total Operating Expenditure	2	130,985	111,497	101,298	133,146	103,559
OPERATING SURPLUS	32	1,052	45,199	31,330	1,644	31,563
Other Comprehensive Revenue and Expense recognised directly in Equity						
Property Plant and Equipment Revaluation gains / (losses) taken to equity		259,385	81,490	127,809	259,385	127,809
Intangible gains / (losses) taken to equity		(571)	-	531	(571)	531
Investment gains / (losses) taken to equity		3,279	-	10,135	3,279	10,135
Cash flow hedges gains / (losses) taken to equity		169	1,292	624	169	624
Total Other Comprehensive Revenue and Expense for the Year		262,262	82,782	139,099	262,262	139,099
Total Comprehensive Revenue for the Year	32	263,314	127,981	170,429	263,906	170,662

Explanation of operating surplus and total comprehensive revenue:

Council achieved an operating surplus of \$1.1m this year against a budget of \$45.2m. Explanations of the major variations from budget are provided in note 31, page 98. The operating surplus includes a number of items of income that are non-cash in nature including infrastructure vested by developers (\$10.7m). Council's total comprehensive income includes \$259.4m of property plant & equipment revaluation gains.

The accompanying notes form part of these financial statements, pages 37-98.

5.5 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Note	Council			Group	
		2023 Actual \$000	2023 Budget \$000	2022 Actual Restated \$000	2023 Actual \$000	2022 Actual Restated \$000
Balance at 1 July	32	2,023,741	1,863,165	1,853,312	2,025,827	1,855,165
Total Comprehensive Revenue	32	263,314	127,981	170,429	263,906	170,662
Balance at 30 June	32	2,287,055	1,991,146	2,023,741	2,289,733	2,025,827
Equity represented by:						
Retained earnings	24, 32	625,622	605,987	609,568	628,299	611,654
Other reserves	24	1,661,433	1,385,159	1,414,173	1,661,433	1,414,173
Total Equity	32	2,287,055	1,991,146	2,023,741	2,289,732	2,025,827

The accompanying notes form part of these financial statements, pages 37-98.

5.6 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Council			Group	
		Actual 2023 \$000	Budget 2023 \$000	Actual 2022 Restated \$000	Actual 2023 \$000	Actual 2022 Restated \$000
ASSETS						
Current Assets						
Cash and cash equivalents	8	28,013	2,615	17,678	30,956	19,903
Investments in CCO's	10	-	1,890	-	-	-
Assets held for sale	12	85	-	85	85	85
Trade and other receivables	9	8,889	790	6,464	8,002	6,400
Total Current Assets		36,987	5,295	24,227	39,043	26,388
Non Current Assets						
Property plant and equipment	13, 32	2,412,720	2,217,267	2,087,912	2,412,967	2,088,288
Intangible assets	14	4,327	2,913	4,588	4,327	4,588
Forestry assets	17	2,400	3,075	3,388	2,400	3,388
Investments in CCO's	10	41,817	23,433	36,308	41,817	36,308
Investment property	18	35,833	19,823	35,436	35,833	35,436
Other financial assets	10	-	-	-	656	-
Trade and other receivables	9	10	13	11	10	11
Total Non Current Assets	32	2,497,107	2,266,524	2,167,643	2,498,010	2,168,019
Total Assets	32	2,534,094	2,271,819	2,191,870	2,537,053	2,194,407
LIABILITIES						
Current Liabilities						
Trade and other payables	19	17,663	12,470	15,054	17,716	15,301
Derivative financial instruments	23	5	-	-	5	-
Provisions	20	236	162	128	236	128
Employee benefit liabilities	21	2,636	2,032	2,721	2,861	2,920
Borrowings	22	48,000	37,000	45,500	48,000	45,500
Total Current Liabilities		68,540	51,664	63,403	68,818	63,849
Non Current Liabilities						
Trade and other payables	19	-	250	-	-	-
Derivative financial instruments	23	-	-	174	-	174
Provisions	20	500	759	553	500	553
Borrowings	22	178,000	228,000	104,000	178,005	104,005
Total Non Current Liabilities		178,500	229,009	104,727	178,505	104,732
Total Liabilities		247,040	280,673	168,130	247,323	168,581
EQUITY						
Retained earnings	24, 32	625,622	605,987	609,568	628,299	611,654
Other reserves	24	1,661,433	1,385,159	1,414,173	1,661,433	1,414,173
Total Equity	32	2,287,055	1,991,146	2,023,741	2,289,732	2,025,827

Explanations of the major variations from budget are provided in note 31, page 98.

The accompanying notes form part of these financial statements, pages 37-98.

5.7 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Council			Group	
	Actual 2023 Note	Budget 2023	Actual 2022	Actual 2023 \$000	Actual 2022 \$000
Cash Flows from Operating Activities					
Receipts from rates revenue	73,634	77,074	69,135	73,641	69,135
Interest received	538	15	88	570	91
Dividends	83	20	3	83	3
Receipts from other revenue	37,773	59,902	39,888	41,328	42,563
Payments to suppliers and employees	(75,223)	(77,794)	(58,864)	(77,459)	(61,036)
Interest paid	(5,458)	(2,892)	(2,005)	(5,458)	(2,005)
Goods and service tax (net)	(154)	-	(986)	(163)	(1,093)
Net Cash Flow from Operating Activities	31,193	56,325	47,259	32,542	47,658
Cash Flows from Investing Activities					
Proceeds from sale of property, plant and equipment	9,740	10,348	13,498	9,803	13,518
Proceeds from sale of investments	-	-	-	-	-
Purchase of intangible assets	(1,074)	-	(1,063)	(1,074)	(1,063)
Purchase of property, plant and equipment	(101,365)	(172,988)	(96,058)	(101,403)	(96,223)
Purchase & development of investment property	(2,429)	-	(8,702)	(2,429)	(8,702)
Acquisition of investments	(2,230)	-	(850)	(2,230)	(850)
Net Cash Flow from Investing Activities	(97,358)	(162,640)	(93,175)	(97,333)	(93,320)
Cash Flows from Financing Activities					
Proceeds from borrowings	122,000	105,000	59,500	122,000	59,505
Repayment of borrowings	(45,500)	-	(8,000)	(45,500)	(8,000)
Cash flows from Other Investing and Financing Activities	-	-	-	(656)	-
Net Cash Flow from Financing Activities	76,500	105,000	51,500	75,844	51,505
Net (decrease) / increase in cash, cash equivalents and bank overdrafts	10,335	(1,315)	5,584	11,053	5,843
Cash, cash equivalents and bank overdrafts at the beginning of the year	17,678	3,930	12,094	19,903	14,060
Cash, cash equivalents at the end of the year	8	28,013	2,615	30,956	19,903

Explanations of the major variations from budget are provided in note 31, pages 98.

The accompanying notes form part of these financial statements, pages 37-98.

	Council	Group
	Debentures & other loans \$000	Debentures & other loans \$000
2023		
Reconciliation of movements of liabilities from financing activities		
Balance at 30 June 2022	149,500	149,505
Cash inflows	122,000	122,656
Cash Outflows	(45,500)	(45,500)
Balance at 30 June 2023	226,000	226,661

2022	Council	Group
	Debentures & other loans \$000	Debentures & other loans \$000
Reconciliation of movements of liabilities from financing activities		
Balance at 30 June 2021	98,000	98,000
Cash inflows	59,500	59,505
Cash Outflows	(8,000)	(8,000)
Balance at 30 June 2022	149,500	149,505

STATEMENT OF CASH FLOWS (CONTINUED) / FOR THE YEAR ENDED 30 JUNE 2023

	Note	Council		Group	
		2023 \$000	2022 Restated \$000	2023 \$000	2022 Restated \$000
Surplus / (deficit) after tax	32	1,052	31,330	1,644	31,563
<i>Add (less) non cash items</i>					
Depreciation and amortisation		33,400	30,733	33,498	30,861
Asset write-downs		851	-	851	-
Vested / discovered assets	32	(18,627)	(17,557)	(18,627)	(17,557)
(Gains) / losses in fair value of investment properties, forestry and intangible assets		1,319	(8,321)	1,319	(8,321)
Add / (less) items classified as investing or financing activities		(716)	5,197	(716)	5,197
(Gains) / losses on disposal of assets		12,473	2,891	12,473	2,891
Impairment (Gain) / Loss		1,297	818	1,297	818
<i>Add / (less) movements in working capital items</i>					
Trade and other receivables		(2,435)	2,952	(1,608)	3,040
Trade and other payables		2,609	(1,281)	2,415	(1,386)
Provisions		55	(241)	55	(241)
Employee Benefits		(85)	738	(59)	793
Net Cash Inflow / (Outflow) from Operating Activities		31,193	47,259	32,542	47,658

The accompanying notes form part of these financial statements, pages 37-98.

5.8 FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2023 (WHOLE OF COUNCIL)

	2021/22 Long Term Plan \$000	2021/22 Annual Report \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	40,335	39,004	40,862	41,088
Targeted rates	32,840	29,921	36,212	32,623
Subsidies and grants for operating purposes	3,244	9,877	3,567	5,113
Fees and charges	15,184	19,625	14,687	21,688
Interest and dividends from investments	35	94	35	654
Local authorities fuel tax, fines, infringement fees, and other receipts	412	1,025	412	1,016
Total sources of operating funding (A)	92,050	99,546	95,775	102,182
Applications of operating funding				
Payments to staff and suppliers	66,120	65,436	72,662	76,374
Finance costs	1,976	2,005	2,892	5,458
Other operating funding applications	1,641	1,645	1,762	1,883
Total applications of operating funding (B)	69,737	69,086	77,316	83,715
Surplus (deficit) of operating funding (A - B)	22,313	30,460	18,459	18,467
Sources of capital funding				
Subsidies and grants for capital expenditure	6,618	5,191	12,419	6,350
Development and financial contributions	20,995	4,569	25,540	7,631
Increase (decrease) in debt	65,500	51,500	105,000	76,500
Gross proceeds from sale of assets	8,796	17,220	10,348	20,302
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	101,909	78,480	153,307	110,783
Applications of capital funding				
Capital expenditure				
- to meet additional demand	127,771	54,019	118,267	57,771
- to improve the level of service	25,157	15,726	32,971	16,167
- to replace existing assets	19,050	16,494	24,499	21,060
Increase (decrease) in reserves	(47,756)	22,701	(3,971)	34,252
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	124,222	108,940	171,766	129,250
Surplus (deficit) of capital funding (C - D)	(22,313)	(30,460)	(18,459)	(18,467)
Funding balance ((A - B) + (C - D))	-	-	-	-

5.9 RECONCILIATION BETWEEN THE FUNDING IMPACT STATEMENT AND STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The funding impact statement is prepared in compliance with the requirements of clause 15, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is not compliant with generally accepted accounting standards (GAAP).

The funding impact statement is intended to show in a transparent manner how all sources of funding received by Council are applied. It does not include “non-cash” that is classified as income on the statement of revenue and expense (as required by GAAP) such as assets that are vested to Council through the subdivision process, or unrealised gains on assets. The statement of comprehensive revenue and expense also requires “non-cash” expenses such as depreciation, amortisation, and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between the two statements.

		2021/22 Long Term Plan Note	2021/22 Annual Report Restated \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
Total revenue and expense wholly attributable to District Council	32	48,881	170,662	127,981	263,906
Surplus (deficit) of operating funding per prospective whole of council funding impact statements		22,313	30,460	18,459	18,467
Difference	32	26,568	140,202	109,522	245,439
The difference is due to:					
Capital income		36,415	9,760	48,391	13,981
Vested assets	32	11,717	17,479	12,126	10,712
Discovered assets		-	78	-	7,915
Revaluation of assets		9,500	147,358	83,232	260,099
Gain (loss) on sale/disposal of assets & Discounting Charges & Debt Write-offs		(747)	(3,612)	(2,379)	(13,770)
Operating income received in advance		-	-	-	-
Depreciation and amortisation		(30,317)	(30,861)	(31,848)	(33,498)
Total explained difference	32	26,568	140,202	109,522	245,439

5.10 NOTES TO THE FINANCIAL STATEMENTS

1. Statement of accounting policies for the year ended June 2023

Reporting entity

Waipā District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, Waipā District Council, the Waipā Community Facilities Trust and the Cambridge Town Hall Community Trust.

The primary objective of Council and group is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

These financial statements of the Council and group are for the year ended 30 June 2023, and were authorised for issue by Council on 31 October 2023.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and the local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R,) which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements and service performance information have been prepared in accordance with Tier 1 PBE accounting standards.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than part of the remuneration and the severance payment disclosures in Note 5. The remuneration and severance payment disclosures are rounded to the nearest dollar. The functional currency of Council is New Zealand dollars.

Changes in accounting policies

2018 Omnibus Amendments to PBE Standards

Applies for annual periods beginning on or after 1 January 2023.

The following standards are amended by this document:

- PBE FRS 48 Service Performance Report. PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. Council has applied this standard in preparing its 30 June 2023 financial statements
- PBE IPSAS 41 *Financial Instruments* which supersedes PBE IFRS 9 and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The main changes under PBE IFRS 41 are:

- New classification and measurement requirements for how the amount of change in fair value of financial liabilities is accounted for.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management risks.

Council has applied this standard in preparing its 30 June 2023 financial statements.

Standards issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

Disclosure for Fees for Audit Firms' Services (amendments to PBE IPSAS 1): Requires entities to disclose fees incurred for services received from its audit or review firm, and a description of each service, using the following categories:

- Audit or review of the financial report
- Other non-audit and non-review services:
 - Audit or Review Related Services
 - Other Assurance Services and Other Agreed-Upon Procedures Engagements
 - Other Services

Application of these amendments is required for period beginning or after 1 January 2024 with early adoption permitted. Council plans to apply this standard in preparing its 30 June 2024 financial statements, where applicable.

Insurance Contracts in the Public Sector (amending standard PE IFRS 17): the standards add public sector modifications to include public sector entities and to ensure this Standard is suitable for this sector. Modifications include:

- Information on how to identify arrangements to which PBE IFRS 17 should apply
- Specific exemptions relating to sub-growing contracts
- An amendment to the initial recognition requirements
- Guidance on coverage periods
- An accounting policy choice on liability measurement when applying the premium allocation approach
- A specific grandfathering transition requirement.

Application of these is required for accounting periods beginning in or after 1 January 2026 with early adoption permitted. Council plans to apply this standard in preparing its 30 June 2026 financial statements.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flow of entities in the Group on a line-by-line basis. All intragroup balances, transactions, revenue, and expenses are eliminated on consolidation.

Waipā District Council has retained ownership of the majority of the assets that both Waipā Community Facilities Trust (WCFT) and Cambridge Town Hall Community Trust (CTHCT) use for their operations, and provides a major source of funding for the trusts. The assets that are held within WCFT and CTHCT are not available for access or use by Council and Council is unable to settle liabilities of WCFT and CTHCT.

There is minimal risk for Council with its interest in WCFT and CTHCT due to Council retaining ownership of the majority of the assets that WDC use for their operations, and as a source of funding for the trusts. This risk remains unchanged.

Council is unlikely to lose control of WCFT and CTHCT due to Council being a settlor of the trusts and/or irreversibly pre-determining the material operating and financing policies of the trusts.

Council also owns most of the assets that WCFT and CTHCT use for their operations and provides a major source of funding for the trusts. If Council were to lose control during the reporting period, this would not have a material impact on the Councils performance.

Goods and services taxation (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Council at the beginning of the year in the Annual Plan. Where applicable, other budget figures are those approved as part of the 2021-31 Long Term Plan process. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

Affordable waters reform

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for

transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.

- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Waipā's Three Waters network is currently owned and operated by Waipā District Council.

Critical accounting estimates and assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 13.
- Estimating the landfill aftercare provision – see Note 20.
- Estimating the carrying value of certain capital work in progress projects – see Note 13.
- Estimating the fair value if the equity investment in Waikato Regional Airport Limited – see Note 10.

Income tax

The Council is tax exempt for income tax purposes.

2. Summary cost of service

Accounting policy

Cost allocation

Council has derived the cost of service for each significant activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable and charged to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities using appropriate cost drivers such as computer equipment used, staff numbers and floor area.

There have been no changes to the cost allocation methodology during the year.

Breakdown of summary revenue and expenditure for group of activities

	2023 Actual \$000	2023 Budget \$000	2022 Actual \$000
INCOME			
Governance	107	111	81
Planning and Regulatory	5,986	7,022	7,060
Community Services and Facilities	9,534	19,686	7,249
Roads and Footpaths	12,013	11,332	11,212
Stormwater	25	9	784
Wastewater Treatment and Disposal	1,299	1,364	2,274
Water Treatment and Supply	13,103	13,123	15,153
Support Services	16,757	16,449	15,443
GROSS REVENUE	58,824	69,096	59,256
Less Internal Charges	(16,506)	(16,343)	(15,510)
Total Income	42,318	52,753	43,746
EXPENDITURE			
Governance	9,912	9,503	7,967
Planning and Regulatory	13,757	11,806	10,427
Community Services and Facilities	34,708	31,132	28,669
Roads and Footpaths	30,907	24,287	24,960
Stormwater	6,336	4,698	5,048
Wastewater Treatment and Disposal	16,283	14,764	11,766
Water Treatment and Supply	15,544	14,348	14,128
Support Services	20,012	18,097	15,968
GROSS EXPENDITURE	147,459	128,635	118,933
Less Internal Charges	(16,506)	(16,343)	(15,510)
Less rates charged to Council properties	(1,489)	(1,459)	(1,401)
NET EXPENDITURE	129,464	110,833	102,022
NET COST OF SERVICE - OPERATING	(87,146)	(58,080)	(58,276)

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer Note 3). In order to fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown above.

3. Revenue

Accounting policy

Revenue is measured at the fair value of consideration received.

Revenue may be derived from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Specific accounting policies for major categories of exchange revenue transactions are listed below:

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when Council's right to receive the payment is established.

Housing for the Elderly revenue

Rental revenue arising from tenancy agreements is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of revenue and expenditure due to its operating nature.

Other gains and losses

Other gains and losses include fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties and realised gains and losses on the sale of Property, Plant and Equipment (PPE) held at cost.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner.

Specific accounting policies for major categories of non-exchange revenue transactions are listed below:

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an actual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction in rates revenue when the Council has received an application that satisfies its rates remission policy.

Development contributions

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide the service.

Waka Kotahi (New Zealand Transport Agency) transportation subsidies

Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Direct charges

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licencing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally, there are no conditions attached to such revenue.

Revenue from such services is recognised when the Council or Group issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council or Group has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council or Group for the service) if the service is not completed.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of the Council's local facilities, such as the pools. Revenue from entrance fees is recognised upon entry to such facilities.

Infringement fees and fines

Infringement fees and fines mostly relate to animal infringements and parking infringements and are recognised when the revenue is received. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in Council are recognised as revenue when control over the asset is obtained.

The fair value of vested assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is either based on construction price information provided by the property developer or values as per the last revaluation.

For long-lived assets that must be used for a specific purpose (e.g. land must be used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is only recognised if Council expects that it will need to return or pass the asset to another party.

i) Breakdown of rates and further information

Council is required by the New Zealand Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of Council for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below.

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Rates consist of:				
General rates	26,021	24,898	26,021	24,898
Uniform annual general charge	16,631	15,783	16,631	15,783
Targeted ward rates	5,195	4,792	5,195	4,792
Other targeted rates:				
Metered Water Supply	8,731	8,382	8,731	8,382
Other Water Rates	20	20	20	20
Sewerage	11,743	10,142	11,743	10,142
Stormwater	4,079	3,955	4,079	3,955
Recycling	2,463	2,065	2,463	2,065
Other	411	399	411	399
Add Penalties	115	88	115	88
Less Remissions	(209)	(198)	(209)	(198)
	75,200	70,326	75,200	70,326
Less rates charged to Council properties	(1,489)	(1,401)	(1,489)	(1,401)
Total Rates	73,711	68,925	73,711	68,925

ii) Rate remissions

The Council's rate remission policy allows the remission of rates under certain conditions and criteria. The following is a breakdown:

	Council	
	2023 \$000	2022 \$000
Sport / community organisations	119	113
Maori land	-	-
Open space covenanted land	6	6
School waste water	66	58
Other	18	21
Uniform annual general charge	-	-
	209	198

	Council	
	2023	2022
Number of rating units at start of year	24,562	24,018

	Council	
	2023	2022
	\$000	\$000
Total capital value of rating units at start of year	35,117,836	23,726,289
Total land value of rating units at start of year	20,491,853	13,471,609

iii) Breakdown of subsidies and grants

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
New Zealand Transport Agency roading subsidies	10,686	9,996	10,686	9,996
Grants and Donations	67	297	98	461
Three Waters Stimulus Funding	-	4,546	-	4,546
External funding	679	65	679	65
Total subsidies and grants	11,432	14,904	11,463	15,068

There are no unfulfilled conditions or other contingencies attached to subsidies and grants recognised (2022 nil).

iv) Breakdown of fees and charges

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Rendering of services	1,692	1,504	1,692	1,504
User Charges	8,379	7,132	11,003	8,861
Regulatory revenue	5,942	7,026	5,942	7,026
Rental income from investment properties	454	403	454	403
Other Significant Activity revenue	2,597	1,831	2,597	1,831
Total fees and charges	19,064	17,896	21,688	19,625

v) Breakdown of other revenue

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Profit on Sale	98	-	98	-
Insurance recoveries	10	-	10	-
Infringements and fines	44	33	44	33
Petrol tax	409	394	409	394
Miscellaneous Revenue	390	-	455	598
Total other revenue	951	427	1,016	1,025

Operating leases as lessor

Investment property is leased under operating leases. The majority of these are short term leases, however Council also has a small number of non-cancellable long-term leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Not later than one year	63	100	63	100
Later than one year and not later than five years	141	172	141	172
Later than five years	28	28	28	28
Total Non-cancellable Operating Leases	232	300	232	300

No contingent rents have been recognised during the year.

4. Gain / (Loss) on revaluation

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Gain / (Loss) on changes in fair value of investment property	(2,026)	7,868	(2,026)	7,868
Gain / (Loss) on changes in fair value of forestry assets	(137)	391	(137)	391
	(2,163)	8,259	(2,163)	8,259

5. Personnel costs

Accounting policy

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred. Salaries and wages are recognised as an expense as employees provide a service.

Breakdown of personnel costs and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Salaries and wages	28,595	26,288	31,846	29,370
Defined contribution plan employer contributions	811	737	811	737
Increase / (decrease) in employee benefit liabilities	(85)	738	(59)	793
Total employee benefit expenses	29,321	27,763	32,598	30,900

Chief Executive remuneration

The Chief Executive is appointed under section 42 of the Local Government Act 2002. He received a salary of \$331,124 (2022 329,627) in terms of his contract. The Chief Executive’s total remuneration included other benefits as follows:

	Council	
	2023	2022
	\$	\$
Salary	331,124	329,627
Defined contribution plan employer contributions (KiwiSaver)	9,934	12,353
Vehicle	22,546	16,704
Total Chief Executive remuneration	363,604	358,684

Elected representatives’ remuneration

	Council	
	2023	2022
	\$	\$
<i>Elected representatives received the following remuneration:</i>		
Susan O'Regan, Mayor	119,587	40,601
Jim Mylchreest JP, Mayor	40,561	135,500
Liz Stolwyk, Deputy Mayor	58,741	43,985
Elwyn Andree-Wiltens	-	27,658
Hazel Barnes JP	10,006	33,834
Andrew Brown	47,860	40,601
Lou Brown	43,298	33,834
Philip Coles	43,298	33,834
Roger Gordon	39,612	33,834
Marcus Gower	44,174	40,601
Michael Montgomerie	35,233	-
Dale-Maree Morgan	517	-
Mike Pettit	40,841	33,834
Clare St Pierre	46,984	33,834
Duncan Stirling	19,621	-
Bruce Thomas JP	45,755	33,834
Grahame Webber	12,746	40,601

Council employees remuneration by band

Total annual remuneration by band for employees as at 30 June:

	2023 Actual	2022 Actual
Total annual remuneration by band for employees as at 30 June:		
< \$60,000	95	116
\$60,000 - \$79,999	83	78
\$80,000 - \$99,999	70	71
\$100,000 - \$119,999	51	44
\$120,000 - \$139,999	20	8
\$140,000 - \$159,999	11	11
\$160,000 - \$179,999	10	10
\$180,000 - \$339,999	8	-
\$340,000 - \$369,999	1	1
Total Employees	349	339

Total remuneration includes non-financial benefits provided to employees.

At balance date Council employed 288 (2022 279) full-time employees, with the balance of staff representing 35 (2022 37) full-time equivalent employees. A full-time employee is determined on the basis of a 40 hour week.

Severance payments

For the year ended 30 June 2023 there was \$27,500 of severance payments to employees (2022 \$55,000).

6. Other expenses

Accounting policy

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria, and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and grants are recognised as expenditure on payment.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Breakdown of other expenses and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<i>Fees to the principal auditor:</i>				
Fees to Audit New Zealand for audit of the Parent and Group's financial statements	233	188	233	188
Fees to Audit New Zealand for audit of the 2021-31 Long-term Plan	-	-	-	-
Fees to Audit New Zealand for audit of the 2021-22 Annual Report	28	53	28	53
Fees to Audit New Zealand for audit of the Debenture Trust Deed	9	8	9	8
Total Audit Fees	270	249	270	249
Community grants	1,883	1,645	1,883	1,645
Loss on disposal property, plant and equipment	12,473	2,891	12,473	2,891
Impairment of property, plant and equipment	1,297	818	1,297	818
Direct expenses from investment property	299	271	299	271
Direct expenses from investment property not primarily generating income	500	436	500	436
Lease payments under operating leases	116	113	116	113
Other operating expenditure	43,805	34,374	42,591	33,370
Total Other Expenses	60,643	40,797	59,429	39,793

Operating lease as lessee

Leases can be renewed at the Council and group's option, with rents set by reference to current market rates for items of equivalent age and condition. There are no restrictions placed on the Council and group by any of the leases arrangements.

The Council leases property in the normal course of its business. The majority of these leases have a non-cancellable term. The properties that Council leases are 77 Daphne Street, Te Awamutu and 33 Wilson Street, Cambridge (depots and carpark); units 64 and 65 at 230 Berquist Drive, Te Awamutu; 244 Arawata Street, Te Awamutu; and 55 Rickett Road, Te Awamutu. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Not later than one year	387	44	387	44
Later than one year and not later than five years	283	8	283	8
Later than five years	-	-	-	-
Total Non-cancellable Operating Leases	670	52	670	52

7. Finance costs

Accounting policy

In accordance with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Interest on borrowings	5,419	1,996	5,419	1,996
Discount unwind on provisions (note 20)	39	9	39	9
Total	5,458	2,005	5,458	2,005

8. Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Breakdown of cash and cash equivalents and further information

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Cash at bank and in hand	28,013	3	30,956	2,228
Term deposits with maturities less than 3 months	-	17,675	-	17,675
Total	28,013	17,678	30,956	19,903

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

9. Trade and other receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables GST, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Fair Value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

Assessment of expected credit loss

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court’s judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: \$NIL (2022 \$22,986.70)
- Section 90B: \$NIL (2022: NIL)

The ageing profile of receivables at year-end is detailed below:

Breakdown of receivables and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Rates receivables	800	535	800	535
Community loans	10	11	10	11
Trade Receivables	8,203	6,105	7,316	5,953
less provision for uncollectability	(114)	(88)	(114)	(88)
	8,899	6,475	8,012	6,411
<i>Less non current portion</i>				
Community loans	10	11	10	11
Loans to Other Entities	-	-	-	-
Total Non-current Portion	10	11	10	11
Current Portion	8,889	6,464	8,002	6,400
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	3,597	2,442	3,597	2,442
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	5,292	4,022	4,405	3958

Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The status of the current portion of receivables as at 30 June is detailed below:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Not past due	7,712	5,668	6,825	5,603
Past due 1 - 60 days	586	570	586	571
Past due 61 - 120 days	349	109	349	109
Past due > 120 days	242	117	242	117
Total	8,889	6,464	8,002	6,400

Allowance for expected credit losses (ECL)

The ECL allowance has been calculated based on a review of specific overdue receivables together with a collective assessment.

	Council and Group	
	2023	2022
	\$000	\$000
Individual uncollectability	90	88
Collective uncollectability	24	-
Total	114	88

Individually impaired receivables have been determined to be impaired because of the improbability of collection. An analysis of the individually impaired debtors is shown below:

	Council and Group	
	2023	2022
	\$000	\$000
Past due 1 - 60 days	-	-
Past due 61-120 days	-	-
Past due >120 days	90	88
Total	90	88

Movements in the allowance for credit losses are as follows:

	Council and Group	
	2023	2022
	\$000	\$000
Balance at 1 July	88	123
Additional provision made during the year	26	-
Provisions reversed during the year	-	(7)
Debts written off during the period	-	(28)
Total	114	88

10. Other financial assets

Accounting policy

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD)

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. Debt instruments in this category are the Council and group's listed bonds.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Other than for derivatives, the Council and group has no instruments in this category.

Shares in subsidiaries (at cost)

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

Breakdown of other financial assets and further information

Non-current portion

Other non-current financial assets

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Term deposits with maturities greater than 3 months	-	-	600	-
Other non-current assets	-	-	56	-
Total current portion	-	-	656	-

Summary of other financial assets

	Number of Shares	% Holding	Balance Date	Council	
				2023 \$000	2022 \$000
Waikato Regional Airport Limited	777,110	15.63	30 June	36,493	33,214
Civic Financial Services Limited	149,082	1.35	31 Dec	141	141
Waikato Local Authority Shared Services Limited - called	1	8.33	30 June	1	1
Waikato Regional Transport Model* - called	11,250	5	30 June	112	112
LGFA - unlisted shares	200,000	0.4	30 June	100	100
LGFA - borrower notes			30 June	4,970	2,740
Total non current portion of shares and investments in other organisations				41,817	36,308

Fair value

The carrying amount of term deposits approximates their fair value.

Waikato Regional Airport Limited

The investment in Waikato Regional Airport Limited (WRAL) is measured at fair value through other comprehensive revenue and expenditure. The fair value of the investment in WRAL has been determined based on Council's proportion of ownership of WRAL's net assets (15.63%). Net assets is considered to provide an appropriate estimate of the WRAL's fair value, this is because WRAL's fair value derives mainly from the underlying fair value of its assets net of liabilities.

Impairment

There are no impairment expenses or provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

11. Investments in subsidiaries, associates, and joint ventures

Accounting policy

Further information about the initial adoption of these standards is provided in note 29.

Subsidiaries

The Council consolidates in the group financial statements those entities it controls. Control exists where the Council is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council.

Associate

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

Investments in associates are measured at cost in the Council's parent financial statements.

Equity method of accounting in group financial statements

Investments in associates and joint ventures are accounted for in the group financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the change in net assets of the entity after the date of acquisition. The group's share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

12. Assets held for sale

Accounting policy

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

These assets are not depreciated or amortised.

Breakdown on assets held for sale and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Assets held for sale - Land	85	85	85	85
Assets held for sale - Buildings	-	-	-	-
Total assets held for sale	85	85	85	85

Council is still proposing to sell 263m² of land being part of the Karapiro Hall site at Karapiro Road to Karapiro Motors (1975) Limited.

13. Property, plant and equipment

Accounting policy

Property, plant and equipment consists of:

- Operational assets which include land, buildings, library books, plant, furniture and equipment, and motor vehicles.
- Infrastructural assets which are the fixed utility systems. Each asset class includes all items that are required for the network to function, for example sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Additions are generally recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value at the date of acquisition. Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential with the item will flow to Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Components	Years
Water Treatment	Structures	25 – 80
	Plant	10 – 200
	Pipes	60
Water Reticulation	Pipes	30 – 100
	Fittings	3 – 100
Sewage Treatment	Structures	25 – 100
	Plant	10 – 100
	Pipes	60
Sewerage Reticulation	Pipes	50 – 100
	Fittings	25 – 100
	Manholes	80
Stormwater	Structures	15 – 150
	Pipes	50 – 135
	Manholes	50 – 80
Formation/carriageway and shoulder		Infinite
Pavement structure		12 – 150
Pavement surface (seal)		6 – 65
Catchpits and culverts		50 – 75
Bridges		50 – 115
Kerb and channel		50 – 75
Lighting		20 – 35
Footpaths		15 – 70
Signs		10 – 35
Railings		20 – 35
Islands		35 - Infinite
Traffic Signals		15 – 50
Buildings – not componentised		0 – 100
Building – structure		35 – 100
Building – fit-out		20 – 40
Building – services		30 – 45
Plant/motor vehicles		15 – 25
Furniture, fittings and equipment		3 – 80
Computer equipment		3 – 10
Intangibles		0 – 10
Library Books		7

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Revaluation

Infrastructure assets are valued on a two-yearly cycle and Operational Land and Buildings are valued every three years, on the basis described below.

The carrying values of all revalued assets are either revalued on the frequencies noted above, or where not revalued they are assessed each balance date to ensure that the carrying values do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Operational land and buildings

At fair value as determined from market-based evidence where there is a market, or depreciated replacement cost for specialised assets, by an independent valuer. The most recent valuation was performed by Quotable Value Limited Asset and Advisory (registered valuers) and the valuation is effective as at 30 June 2022.

Infrastructural assets

At fair value determined on a Depreciated Replacement Cost (DRC) basis by an independent valuer. The valuation of the utility assets and roading assets was performed by Beca Valuations Limited (Beca) and is effective as at 30 June 2023.

Land under roads and road reserves

Valued by Opus International Consultants Limited (registered valuers) using estimates provided by Quotable Value at current market prices (\$/ha) for land use categories through which the roads pass. The valuation is effective as at 1 July 2006. On transition to New Zealand equivalents to International Financial Reporting Standards on 1 July 2006, the Council elected to use the fair value of land under roads as at 1 July 2006 at deemed cost. Land under roads is no longer revalued.

Impairment of property, plant and equipment and intangible assets

Property, plant, and equipment are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of an impairment loss is also recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Critical accounting estimates and assumptions

Infrastructural assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the assets, then Waipā District Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk Waipā District Council's infrastructural assets useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Waipā District Council's asset management planning activities, which gives Waipā District Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

The total fair value of infrastructure assets is determined on a DRC basis at 30 June 2023.

Operational land and buildings

There are a number of assumptions and estimates used when performing market valuations over operational land and buildings assets. These include:

Land (operational)

- Land is valued as vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.
- Assumption of an open market “willing buyer willing seller” scenario. This is effectively the price an informed purchaser would have to pay to acquire a similar property.
- Where there is a designation held against the land, adjustments have been made to reflect that designation.

Buildings (operational)

- All buildings have been valued on either a fair market basis or depreciated replacement cost approach.
- Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.
- The highest and best use of the property is considered when formulating which approach to undertake the building valuation. Where market-based evidence exists, structures have been valued on a market basis in relation to market-based net rates per square metre.

Experienced independent valuers perform the Council’s Operational Land and Buildings asset revaluations.

Other

Work in progress shows the amount of capital projects that are in the course of construction and will be capitalised once completed in future years.

There are no restrictions over the title of Council’s property, plant and equipment assets, nor are property plant and equipment assets pledged as security for liabilities.

The Local Government Act 2002 requires Council to separate treatment from reticulation for water and sewage assets but Council still considers this to be one class of asset.

Treatment of bore drilling costs

The outcome for projects such as bore drilling are largely unknown until the project is substantially complete. It is only then that the future economic benefits or service potential of such assets can be determined. Council assesses each borehole in the light of the future economic benefits or service potential to Council. Costs associated with bores that show no evidence of yielding future economic benefits or service potential are treated as impairment losses.

Council has impaired any boreholes that show no evidence of yielding future economic benefits or service potential to Council. Council believes it appropriate for the remaining costs to sit in work in progress until these are put to use and further assessment for capitalisation/impairment at that point.

The total amount of property, plant and equipment as at 30 June 2023 is \$2,412,999,000. This is made up of total operational and infrastructure assets valued at \$563,295,000 and \$1,849,704,000 respectively (2022 \$2,088,287,000, with \$537,031,000 and \$1,551,256,000 respectively).

Council 2023	Land \$000	Buildings \$000	Landfills post closure \$000	Library books \$000	Plant \$000	Furniture and equipment \$000	Total operational assets \$000
Operational assets							
Balance at 1 July 2022							
Cost/valuation	387,306	110,989	418	2,480	12,077	43,705	556,975
Accumulated depreciation and impairment charges	-	(1,293)	(418)	(1,216)	(4,916)	(12,476)	(20,319)
Opening carrying amount	387,306	109,696	-	1,264	7,161	31,229	536,656
Year Ended 30 June 2023							
Transfers	-	-	-	-	-	-	-
Additions	21,516	2,877	-	-	868	429	25,690
Additions (vested to Council)	-	-	-	-	-	-	-
Disposals	-	(122)	-	-	(559)	(3,573)	(4,254)
Accumulated depreciation write off on disposal	-	10	-	-	403	3,477	3,890
Current year depreciation	-	(5,310)	-	(315)	(977)	(1,137)	(7,739)
Accumulated depreciation write off on revaluation	-	-	-	-	-	-	-
Revaluation Surplus / (deficit)	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Loss on Accumulated Impairment on revaluation	-	-	-	-	-	-	-
Work in progress (net transfers)	2,693	975	-	346	84	4,674	8,772
Total movement	24,209	(1,570)	-	31	(181)	3,870	26,359
Balance 30 June 2023							
Cost/valuation	411,515	114,719	418	2,826	12,470	45,235	587,183
Accumulated depreciation and impairment charges	-	(6,593)	(418)	(1,531)	(5,490)	(10,136)	(24,168)
Council Closing Carrying Amount	411,515	108,126	-	1,295	6,980	35,099	563,015

Impairment losses of \$NIL (2022 \$3,000,000) have been recognised for prior year capital costs.

Group 2023	Land \$000	Buildings \$000	Landfills post closure \$000	Library books \$000	Plant \$000	Furniture and equipment \$000	Total operational assets \$000
Operational assets							
Balance at 1 July 2022							
Cost/valuation	387,306	111,021	418	2,480	12,690	44,037	557,952
Accumulated depreciation and impairment charges	-	(1,293)	(418)	(1,216)	(5,282)	(12,712)	(20,921)
Opening carrying amount	387,306	109,728	-	1,264	7,408	31,325	537,031
Year Ended 30 June 2023							
Transfers	-	-	-	-	-	-	-
Additions	21,516	2,877	-	-	925	437	25,755
Additions (vested to Council)	-	-	-	-	-	-	-
Disposals	-	(153)	-	-	(591)	(3,573)	(4,317)
Accumulated depreciation write off on disposal	-	10	-	-	403	3,477	3,890
Current year depreciation	-	(5,310)	-	(315)	(1,039)	(1,172)	(7,836)
Accumulated depreciation write off on revaluation	-	-	-	-	-	-	-
Revaluation Surplus / (deficit)	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Loss on Accumulated Impairment on revaluation	-	-	-	-	-	-	-
Work in progress (net transfers)	2,693	975	-	346	84	4,674	8,772
Total movement	24,209	(1,601)	-	31	(218)	3,843	26,264
Balance 30 June 2023							
Cost/valuation	411,515	114,720	418	2,826	13,108	45,575	588,162
Accumulated depreciation and impairment charges	-	(6,593)	(418)	(1,531)	(5,918)	(10,407)	(24,867)
Group Closing Carrying Amount	411,515	108,127	-	1,295	7,190	35,168	563,295

Council 2022	Land \$000	Buildings \$000	Landfills post closure \$000	Library books \$000	Plant \$000	Furniture and equipment \$000	Total operational assets \$000
Operational assets							
Balance at 1 July 2021							
Cost/valuation	254,307	83,133	418	2,436	11,604	33,521	385,419
Accumulated depreciation and impairment charges	-	(1,815)	(418)	(1,147)	(4,188)	(11,338)	(18,906)
Opening carrying amount	254,307	81,318	-	1,289	7,416	22,183	366,513
Year Ended 30 June 2022							
Transfers	200	-	-	-	(70)	70	200
Additions	35,826	1,550	-	287	628	6,424	44,715
Additions (vested to Council)	27	-	-	-	-	-	27
Disposals	(21)	(154)	-	(244)	(175)	(272)	(866)
Accumulated depreciation write off on revaluation	-	26	-	244	141	91	502
Current year depreciation	-	(3,545)	-	(313)	(869)	(1,229)	(5,956)
Accumulated depreciation write off on disposal	-	6,873	-	-	-	-	6,873
Revaluation Surplus / (deficit)	96,854	26,190	-	-	-	-	123,044
Impairment	-	(3,000)	-	-	-	-	(3,000)
Loss on Accumulated Impairment on revaluation	-	168	-	-	-	-	168
Work in progress (net transfers)	113	270	-	1	90	3,962	4,436
Total movement	132,999	28,378	-	(25)	(255)	9,046	170,143
Balance 30 June 2022							
Cost/valuation	387,306	110,989	418	2,480	12,077	43,705	556,975
Accumulated depreciation and impairment charges	-	(1,293)	(418)	(1,216)	(4,916)	(12,476)	(20,319)
Closing Carrying Amount	387,306	109,696	-	1,264	7,161	31,229	536,656

Group 2022	Land	Buildings	Landfills post closure	Library books	Plant	Furniture and equipment	Total operational assets
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets							
Balance at 1 July 2021							
Cost/valuation	254,307	83,133	418	2,436	12,134	33,851	386,279
Accumulated depreciation and impairment charges	-	(1,815)	(418)	(1,147)	(4,500)	(11,514)	(19,394)
Opening carrying amount	254,307	81,318	-	1,289	7,634	22,337	366,885
Year Ended 30 June 2022							
Transfers	200	-	-	-	(70)	70	200
Additions	35,826	1,582	-	287	759	6,426	44,880
Additions (vested to Council)	27	-	-	-	-	-	27
Disposals	(21)	(154)	-	(244)	(223)	(272)	(914)
Accumulated depreciation write off on revaluation	-	26	-	244	155	91	516
Current year depreciation	-	(3,545)	-	(313)	(937)	(1,289)	(6,084)
Accumulated depreciation write off on disposal	-	6,873	-	-	-	-	6,873
Revaluation Surplus / (deficit)	96,854	26,190	-	-	-	-	123,044
Impairment	-	(3,000)	-	-	-	-	(3,000)
Loss on Accumulated Impairment on revaluation	-	168	-	-	-	-	168
Work in progress (net transfers)	113	270	-	1	90	3,962	4,436
Total movement	132,999	28,410	-	(25)	(226)	8,988	170,146
Balance 30 June 2022							
Cost/valuation	387,306	111,021	418	2,480	12,690	44,037	557,952
Accumulated depreciation and impairment charges	-	(1,293)	(418)	(1,216)	(5,282)	(12,712)	(20,921)
Group Closing Carrying Amount	387,306	109,728	-	1,264	7,408	31,325	537,031

2023		Sewerage system treatment	Sewerage system reticulation	Water system treatment	Water system reticulation	Drainage network	Roading network	Land under roads	Total infrastructural assets
	Note	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council infrastructural assets									
Balance at 1 July 2022									
Cost/valuation		73,075	125,315	65,453	153,633	139,574	783,549	234,638	1,575,237
Accumulated depreciation and impairment charges		(3,149)	(2,597)	(1,767)	(3,363)	(1,958)	(11,147)	-	(23,981)
Opening carrying amount - restated	32	69,926	122,718	63,686	150,270	137,616	772,402	234,638	1,551,256
Year Ended 30 June 2023									
Transfers		-	-	-	-	-	-	-	-
Additions (constructed by Council)		15,118	1,074	1,089	6,236	3,430	19,946	-	46,893
Additions (vested to Council)		191	2,086	-	1,564	3,119	3,752	-	10,712
Disposals		(3,774)	(814)	(815)	(1,237)	(2,376)	(6,832)	-	(15,848)
Accumulated depreciation write off on disposal		1,984	32	760	85	56	826	-	3,743
Current year depreciation		(3,587)	(2,759)	(2,076)	(3,428)	(2,035)	(11,210)	-	(25,095)
Accumulated depreciation write off on revaluation		4,752	5,324	3,083	6,706	3,937	21,531	-	45,333
Revaluation Surplus / (deficit)		5,281	11,295	5,465	45,181	29,173	117,384	-	213,779
Work in progress (net transfers)		(12,840)	9,894	(982)	5,580	8,836	8,443	-	18,931
Total movement		7,125	26,132	6,524	60,687	44,140	153,840	-	298,448
Balance 30 June 2023									
Cost/valuation		77,051	148,850	70,210	210,957	181,756	926,242	234,638	1,849,704
Accumulated depreciation and impairment charges		-	-	-	-	-	-	-	-
Closing carrying amount		77,051	148,850	70,210	210,957	181,756	926,242	234,638	1,849,704

A valuation of the Roothing Network was performed by Beca Valuations Limited (Beca), (registered valuation experts) effective as at 30 June 2023. A valuation of the utility assets was performed by Beca Valuations Limited (Beca), (registered valuation experts) effective as at 30 June 2023.

2022	Note	Sewerage system treatment \$000	Sewerage system reticulation \$000	Water system treatment \$000	Water system reticulation \$000	Drainage network \$000	Roading network \$000	Land under roads \$000	infrastructural assets \$000	Total
Council infrastructural assets										
Balance at 1 July 2021										
Cost/valuation - restated	32	69,990	117,078	61,668	147,152	130,021	772,802	234,638	1,533,349	
Accumulated depreciation and impairment charges		-	-	-	-	-	-	-	-	
Opening carrying amount	32	69,990	117,078	61,668	147,152	130,021	772,802	234,638	1,533,349	
Year Ended 30 June 2022										
Transfers		-	-	-	-	-	-	-	-	
Additions (constructed by Council) - restated *	32	13,836	575	950	19,896	5,122	12,964	-	53,343	
Additions (vested to Council) - restated	32	656	2,835	-	2,377	7,199	4,385	-	17,452	
Disposals		-	(17)	-	(13,677)	(23)	(2,589)	-	(16,306)	
Accumulated depreciation write off on disposal		-	-	-	75	1	261	-	337	
Current year depreciation		(3,149)	(2,597)	(1,767)	(3,438)	(1,959)	(11,408)	-	(24,318)	
Accumulated depreciation write off on revaluation		-	-	-	-	-	-	-	-	
Revaluation Surplus / (deficit)		-	-	-	-	-	-	-	-	
Work in progress (net transfers) - restated *	32	(11,407)	4,844	2,835	(2,115)	(2,745)	(4,013)	-	(12,601)	
Total movement		(64)	5,640	2,018	3,118	7,595	(400)	-	17,907	
Balance 30 June 2022										
Cost/valuation - restated	32	73,075	125,315	65,453	153,633	139,574	783,549	234,638	1,575,237	
Accumulated depreciation and impairment charges		(3,149)	(2,597)	(1,767)	(3,363)	(1,958)	(11,147)	-	(23,981)	
Closing carrying amount	32	69,926	122,718	63,686	150,270	137,616	772,402	234,638	1,551,256	

* An amount of \$28.6million was reclassified from work in progress to additions as this best reflects the construction date of the assets. Refer to note 32.

Core infrastructure asset disclosure

The table below shows the most recent replacement cost estimate for Council’s revalued infrastructure assets.

	Council	
	2023	2022
	\$000	\$000
Sewerage system - treatment	90,097	78,139
Sewerage system - reticulation	226,029	181,948
Water system - treatment	128,433	80,646
Water system - reticulation	280,997	214,343
Drainage network	230,891	174,611
Roading network	1,181,378	990,863
Total	2,137,825	1,720,550

Work in progress

Property, plant and equipment in the course of construction by class of asset is detailed below:

	Note	Council	
		2023	2022
		\$000	Restated \$000
Land and buildings		7,534	3,376
Plant		554	122
Furniture and equipment		10,588	6,405
Wastewater treatment and disposal	32	23,032	11,796
Water treatment and supply	32	20,730	9,970
Drainage network	32	18,226	8,146
Roading network	32	26,361	10,867
Total	32	107,025	50,682

Capital commitments

The amount of contractual commitments for acquisition of property, plant and equipment is:

	Council	
	2023	2022
	\$000	\$000
<i>Capital Commitments</i>		
Roading network	33,544	27,239
Drainage network	20,459	20,818
Wastewater treatment and disposal	15,657	19,637
Water treatment and supply	9,476	2,030
Community Facilities	7,204	4,644
Information Technology	46	34
Animal Control	7	46
Property development	574	257
Total capital commitments	86,967	74,705

14. Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense. The useful lives and associated amortisation rates of computer software have been estimated at 3-10 years (33% - 10%).

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for indicators of impairment and tested annually for impairments each balance date.

For further details, refer to the policy for impairment of property, plant and equipment in Note 13. The same approach applies to the impairment of intangible assets.

Emissions trading scheme

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the New Zealand Units (NZU). Gains and losses on disposals are reported in the surplus or deficit. If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. NZUs are not amortised and have an indefinite life.

Financial risk management strategies

Compensation has been provided to forestry owners, via the allocation of compensation units, known as NZUs in two tranches. Council received the first tranche of 6,256 units in November 2012, and the second tranche of 10,064 units in April 2013. The value of these NZUs as at 30 June 2022 is \$669,120 (2022 \$1,240,320).

Breakdown of intangible assets and further information

Movements in the carrying value for each class of intangible asset are as follows:

2023	Computer	Council	Total
	Software	NZ	
	\$000	Units	\$000
Balance at 1 July 2022			
Cost	6,253	1,241	7,494
Accumulated amortisation and impairment	(2,906)	-	(2,906)
Opening carrying amount	3,347	1,241	4,588
Year ended 30 June 2023			
Additions	-	-	-
WIP Movement	1,074	-	1,074
Intangible gains / (losses)	-	(571)	(571)
Disposals	(200)	-	(200)
Accumulated depreciation write off on disposal/revaluation	-	-	-
Amortisation charge	(564)	-	(564)
Closing carrying amount	3,657	670	4,327
Balance at 30 June 2023			
Cost	7,127	670	7,797
Accumulated amortisation and impairment	(3,470)	-	(3,470)
Closing carrying amount	3,657	670	4,327

2022	Computer	Council	Total
	Software	NZ	
	\$000	Units	\$000
Balance at 1 July 2021			
Cost	5,885	710	6,595
Accumulated amortisation and impairment	(3,142)	-	(3,142)
Opening carrying amount	2,743	710	3,453
Year ended 30 June 2022			
Additions	973	-	973
WIP Movement	90	-	90
Intangible gains / (losses)	-	531	531
Disposals	(695)	-	(695)
Accumulated depreciation write off on disposal/revaluation	695	-	695
Amortisation charge	(459)	-	(459)
Closing carrying amount	3,347	1,241	4,588
Balance at 30 June 2022			
Cost	6,253	1,241	7,494
Accumulated amortisation and impairment	(2,906)	-	(2,906)
Closing carrying amount	3,347	1,241	4,588

There are no restrictions over the title of Council’s intangible assets, nor are intangible assets pledged as security for liabilities.

15. Depreciation and amortisation expense by group of activity

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Directly attributable depreciation and amortisation expense by group of activity				
Governance	5	7	5	7
Planning and Regulatory	14	9	14	9
Community Services and Facilities	6,075	4,544	6,173	4,672
Roads and Footpaths	11,342	11,520	11,342	11,520
Stormwater	2,035	1,959	2,035	1,959
Water Treatment and Supply	5,513	5,208	5,513	5,208
Wastewater Treatment and Disposal	6,347	5,746	6,347	5,746
Support Services	2,069	1,740	2,069	1,740
Total depreciation and amortisation expense	33,400	30,733	33,498	30,861

16. Insurance of assets

The total value of all assets of Council that are covered by insurance contracts is \$1,559,689,654 (2022 \$1,214,161,079) and the maximum amount to which they are insured, on a per loss basis, is \$234,364,181 (2022 \$234,407,929).

Insurance Class	Total Declared Value \$	Policy Limit \$
Infrastructure	929,685,396	\$80,000,000 per loss
Material Damage	625,640,077	\$150,000,000 each and every loss and in the annual aggregate (\$30,000,000 any one loss and in the aggregate for the period of insurance for fire)
Motor Vehicle	4,364,181	4,364,181
Total	1,559,689,654	234,364,181

The total value of all assets of Council that are covered by financial risk sharing arrangements is nil, and the maximum amount available to Council under this arrangement is nil.

The total value of all assets of the local authority that are self-insured is nil, and the value of any fund maintained by Council for that purpose is nil.

Council maintains insurance reserves to cover the cost of excesses for both material damage and infrastructure claims. The reserve will also be used to minimise fluctuations in premium costs due to external markets.

17. Forestry assets

Accounting policy

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the Statement of Comprehensive Revenue and Expense. The costs to maintain the forestry assets are included in the Statement of Comprehensive Revenue and Expense.

Breakdown of forestry assets and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Balance at 1 July	3,388	2,997	3,388	2,997
Decrease due to harvest and thinnings	(851)	-	(851)	-
Gains / (losses) arising from changes in fair value less estimated point of sale costs	(137)	391	(137)	391
Balance 30 June	2,400	3,388	2,400	3,388

Council owns 284 hectares of forest land with 193.1 hectares of mainly pinus radiata and 4.8 hectares of mixed species. The pinus radiata is at varying stages of maturity ranging from 10 years to 37 years.

There has been 35.9 hectares harvested between March and June 2023.

Forestry experts P F Olsen Limited have valued the forestry assets as at 30 June 2023. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A post-tax discount rate of 7.5% has been used in discounting the present value of expected cash flows.
- Log prices are based on a three year historical rolling average.

A peer review of the P F Olsen Limited's valuation was completed by Interpine Group Limited.

Financial risk management strategies

Council is exposed to financial risks arising from changes in timber prices. Council is a long-term forestry investor and forestry interests form only a small part of Council's business activity and asset base, therefore, it has not taken any measures to manage the risks of a decline in timber prices

Council had 272 hectares of eligible forest area of pre-1990 forest land at the time of application. This land is subject to the provisions of the New Zealand emissions trading scheme (“ETS”). The implication of this for the financial statements is two-fold:

- Should the land be deforested (that is, the land is changed from forestry to some other purpose), a deforestation penalty will arise; and
- As a result of the deforestation restriction, compensation units are being provided by the Government.

18. Investment property

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are measured at fair value as determined annually by an independent valuer. Gains and losses on revaluation, acquisition and disposal are recognised in the Statement of Comprehensive Revenue and Expense.

Breakdown of investment property and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Balance at 1 July	35,436	19,025	35,436	19,025
Additions	2,429	8,702	2,429	8,702
Disposals	(280)	(21)	(280)	(21)
Transfers	-	(200)	-	(200)
Gain / (loss) on sale	-	-	-	-
Revaluation loss on Disposal	-	-	-	-
Revaluation loss on Impairment	-	-	-	-
Fair value gains / (losses) on revaluation	(1,752)	7,930	(1,752)	7,930
Balance 30 June	35,833	35,436	35,833	35,436

Investment properties are valued annually at fair value effective 30 June.

The valuation was performed by C Coakley ANZIV MPINZ, registered valuer, Quotable Value Limited. Quotable Value Limited are experienced valuation experts with extensive market knowledge in the types of investment properties owned by Council.

The valuation methodology and assumptions used were:

- All land has been valued on a fair market, highest and best use basis, each site has been individually considered and valued in accordance with current market conditions;
- All buildings are valued with reference to the market where market evidence exists, highest and best use of the property has been considered when formulating the valuation approach;
- Site and other improvements relating to various land assets have been assessed on a fair value market basis, in the absence of conclusive market value evidence, improvement have been valued by the depreciated replacement cost approach; and
- All lease (non Council) improvements have been excluded from the valuation.

The fair value of investment property has been determined by the current market sales within the areas where the properties are located. Where no comparable sales were evident, sales of other types of properties were checked to determine if there had been a shift in market values over the previous twelve months since the properties were last valued. Information about the revenue and expenses in relation to investment property is detailed below:

	Council	
	2023 \$000	2022 \$000
Rental income	912	673
Expenses from investment property generating income	299	271
Expenses from investment property not primarily generating income	608	546

19. Trade and other payables

Accounting policy

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Breakdown of payables and other information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Trade payables	5,617	6,066	5,670	6,232
Deposits and bonds	-	-	-	-
Accrued expenses	5,653	4,186	5,653	4,267
Income in advance	5,769	4,276	5,769	4,276
Taxes payable (e.g. GST and FBT)	624	526	624	526
	17,663	15,054	17,716	15,301
<i>Less non current portion</i>				
Income in advance	-	-	-	-
Total Non-current Portion	-	-	-	-
Current Portion	17,663	15,054	17,716	15,301
Total payables comprise:				
Payables under non-exchange transactions -	5,040	2,750	5,040	2,750
Payables under exchange transactions -	12,623	12,304	12,676	12,551

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

20. Provisions

Accounting policy

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs” (see note 7).

Breakdown of provisions and further information

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<i>Current provisions are represented by:</i>				
Landfill aftercare provision	236	128	236	128
Total Current Provisions	236	128	236	128
<i>Non current provisions are represented by:</i>				
Landfill aftercare provisions	500	553	500	553
Total Non-current Provisions	500	553	500	553

Provisions for landfill aftercare costs

Council has operated the Cambridge, Te Awamutu, Kihikihi and Pirongia landfills. Council has the responsibility under the resource consents to provide on-going maintenance and monitoring of the landfills after the sites are closed.

Capacity of the sites

The Cambridge, Te Awamutu, Kihikihi and Pirongia landfills have all been closed and capped. The cash flows for landfills post-closure are expected to continue as far out as 2039.

The long term nature of the liability means that there are inherent uncertainties in estimating the costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 4.81% (2022 4.15%).

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Opening balance	681	922	681	922
Amounts used	(247)	(130)	(247)	(130)
Unused amounts reversed	263	(120)	263	(120)
Discounting changes	39	9	39	9
Closing Balance	736	681	736	681
<i>Represented by:</i>				
Current portion	236	128	236	128
Term portion	500	553	500	553
	736	681	736	681

21. Employee benefit liabilities

Accounting policy

Employee benefits expected to be settled within twelve months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it is anticipated it will be used by staff to cover those future absences.

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Accrued pay	488	392	488	392
Annual leave	2,033	2,209	2,258	2,408
Sick leave	115	120	115	120
Total Employee Benefit Liabilities	2,636	2,721	2,861	2,920
<i>Comprising:</i>				
Current	2,636	2,721	2,861	2,920
Total Employee Benefit Liabilities	2,636	2,721	2,861	2,920

22. Borrowings

Accounting policy

Borrowings are initially recognised at the amounts borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowing balance. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Internal borrowings

Information about internal borrowings is provided on pages 111 to 145 of Council's annual report. Internal borrowings are eliminated on consolidation of activities in Council's financial statements.

Breakdown of borrowings

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<i>Current</i>				
Secured loans	48,000	45,500	48,000	45,500
Total Current Borrowings	48,000	45,500	48,000	45,500
<i>Non-Current</i>				
Secured loans	178,000	104,000	178,005	104,005
Total Non-current Borrowings	178,000	104,000	178,005	104,005
Total Borrowings	226,000	149,500	226,005	149,505
Consisting of:				
Fixed rate borrowings	207,000	142,500	207,005	142,505
Floating rate borrowings	19,000	7,000	19,000	7,000
Total Borrowings	226,000	149,500	226,005	149,505

\$7m is repayable in full on 20 September 2023, \$20m is repayable in full on 27 September 2023, \$21m is repayable in full on 15 April 2024, \$5m is repayable in full on 15 April 2025, \$15m is repayable in full on 15 April 2025, \$17m is repayable in full on 15 April 2025, \$12m is repayable in full on 15 April 2026, \$15m is repayable in full on 15 April 2026, \$12m is repayable in full on 15 April 2026, \$3m is repayable in full on 15 April 2027, \$5m is repayable in full on 15 April 2027, \$14.5m is repayable in full on 15 April 2027, \$10m is repayable in full on 15 April 2027, \$5m is repayable in full on 15 April 2027, \$15.5m is repayable in full on 15 April 2027, \$10m is repayable in full on 15 April 2028, \$5m is repayable in full on 15 May 2028, \$9m is repayable in full on 20 April 2029, \$10m is repayable in full on 20 April 2029 and \$15m is repayable in full on 20 April 2029.

Fixed rate debt

Council currently has \$226m of secured debt issued at fixed and floating rates of interest (2022 \$142.5m). Council utilises interest rate swap arrangements to provide fixed rate cover on debt. Note 23 provides detail of the interest rate swaps that are in place.

Committed cash advance facilities

Council has the following committed cash advance facilities in place:

- A \$5m revolving committed cash advance facility with ANZ Bank New Zealand Limited, (2022, \$5m)

There was no drawdown of this facility at balance date (2022 no draw down of this facility at balance date).

Security

Council's loans and committed cash advance facilities are secured by a charge on rates by way of security stock issuances under a debenture trust deed.

Maturity analysis and effective interest rates

The following is a maturity analysis of Council's borrowings. There are no finance leases.

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Less than one year	48,000	45,500	48,000	45,500
<i>weighted average effective interest rate</i>	<i>0.81%</i>	<i>0.80%</i>	<i>0.81%</i>	<i>0.08%</i>
Later than one year but not more than five years	144,000	85,000	144,000	85,000
<i>weighted average effective interest rate</i>	<i>2.46%</i>	<i>1.09%</i>	<i>2.46%</i>	<i>1.09%</i>
More than five years	34,000	19,000	34,005	19,005
<i>weighted average effective interest rate</i>	<i>0.76%</i>	<i>0.58%</i>	<i>0.76%</i>	<i>0.58%</i>
	226,000	149,500	226,005	149,505

23. Derivative financial instruments

Accounting policy

Council uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with the treasury management policy Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The gain or loss on re-measurement to fair value is recognised immediately in the Statement of Comprehensive Revenue and Expense. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Hedging policy).

Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date.

The fair value of interest rate swaps is the estimated amount that the Council would receive or pay to terminate the swap at the Statement of Financial Position date, taking into account current interest rates and the current credit worthiness of the swap counterparts.

Hedging

Derivatives are first recognised at fair value on the date a contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Council designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction Council documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Council documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Comprehensive Revenue and Expense, together with any changes in the fair value of the assets or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Revenue and Expense.

Amounts accumulated in equity are recycled in the Statement of Comprehensive Revenue and Expense in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of the non-financial assets (for example inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost of carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Comprehensive Revenue and Expense.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of Comprehensive Revenue and Expense.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the Statement of Comprehensive Revenue and Expense.

Breakdown of derivative financial instruments and further information

	Less than 1 Year	1-2 Years	3-5 Years	Total
Council 2023				
Interest rate swaps - cash flow hedges				
Nominal Amount (in \$000)	5	-	-	5
Average fixed rate	6.01%	-	-	6.01%
Total Derivative Financial Instrument Liabilities	5	-	-	5

	Less than 1 Year	1-2 Years	3-5 Years	Total
Council 2022				
Interest rate swaps - cash flow hedges				
Nominal Amount (in \$000)	-	174	-	174
Average fixed rate	-	6.01%	-	6.01%
Total Derivative Financial Instrument Liabilities	-	174	-	174

Interest rate swaps

Interest rate swaps are used to hedge the interest rate risk on outstanding borrowings. They may be designated as either Cash Flow Hedges (ie. converting floating rate borrowing into fixed interest rates) or Fair Value Hedges (ie. converting fixed rate borrowing into floating interest rates). Hedge relationships are normally established with a hedge ratio of 1:1 meaning that the risk of each interest rate swap is identical to its related hedged item. Potential sources of hedge ineffectiveness include:

- Different interest rate curves applied to discount the hedged item and hedging instrument.
- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The notional principal amounts of the interest rate swap contracts are \$7,000,000 (2022 \$7,000,000). As at 30 June 2023 the fixed interest rates of cash flow hedge interest rate swaps was 6.01% (2022 6.01%).

Council deems the hedges held to be effective. Gains and losses are recognised in the hedging reserve in equity (note 24) and will be released to the Statement of Comprehensive Revenue and Expense as interest is paid on the underlying debt.

Fair value

The fair value of the interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market values. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most mark parameters are implied from instrument prices.

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from instrument prices.

24. Equity

Accounting policy

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves, the components are:

- Retained earnings
- Council created reserves
- Revaluation Reserves
- Cash flow hedge reserve

Council created reserves

Council created reserves are a component of equity representing a particular use to which various parts of equity have been assigned. Council may alter them without reference to any third party or the Courts. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Cash flow hedge reserves

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

Breakdown of equity and further information

	Note	Council		Group	
		2023	2022 Restated	2023	2022 Restated
<i>Retained earnings</i>					
As at 1 July	32	609,568	577,524	611,654	579,377
Transfers to:					
Reserves and special funds		(206,407)	(114,711)	(206,407)	(114,711)
Transfers from:					
Asset Revaluation reserve on disposal of property, plant and equipment		11,297	(2,936)	11,297	(2,936)
Reserves and special funds		210,112	118,361	210,112	118,361
Surplus / (deficit) for the year	32	1,052	31,330	1,644	31,563
Total retained earnings as at 30 June	32	625,622	609,568	628,300	611,654
<i>Council created reserves</i>					
As at 1 July		42,865	46,515	42,865	46,515
Transfers to:					
Retained earnings		(210,112)	(118,361)	(210,112)	(118,361)
Transfers from:					
Retained earnings		206,407	114,711	206,407	114,711
As at 30 June		39,160	42,865	39,160	42,865
Asset Revaluation Reserves					
As at 1 July		1,371,482	1,230,071	1,371,482	1,230,071
Revaluation gain / (losses)		262,093	138,475	262,093	138,475
Transfer of revaluation reserve to retained earnings on disposal of property plant and equipment		(11,297)	2,936	(11,297)	2,936
As at 30 June		1,622,278	1,371,482	1,622,278	1,371,482
<i>Asset revaluation reserves consist of:</i>					
Operational assets					
Land		322,632	322,632	322,632	322,632
Buildings		63,058	63,154	63,058	63,154
Intangible Assets		669	1,240	669	1,240
Investments		33,029	29,747	33,029	29,747
Infrastructural Assets					
Sewerage System		100,789	78,579	100,789	78,579
Water System		144,668	85,790	144,668	85,790
Drainage network		106,604	74,685	106,604	74,685
Roading network		850,829	715,655	850,829	715,655
Total Asset Revaluation Reserves		1,622,278	1,371,482	1,622,278	1,371,482
<i>Cash Flow Hedge Reserves</i>					
Opening balance 1 July		(174)	(798)	(174)	(798)
Fair value gains / (losses) in the year		169	624	169	624
Total Cash Flow Hedge Reserve		(5)	(174)	(5)	(174)
Total other reserves as at 30 June		1,661,433	1,414,173	1,661,433	1,414,173

Information about reserve funds held for a specific purpose is provided below:

	Council			
	2022/23	2022/23	2022/23	
	Opening Balance	Transfer to Reserve	Transfer From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<i>Council created reserves consist of:</i>				
Property Reserves				
Asset Sales Cambridge	-	-	-	-
Asset Sales Te Awamutu	233	2	(73)	162
Asset Sales General	141	1	(143)	(1)
Endowment Land Cambridge	-	-	-	-
Endowment Land Pirongia	3	-	-	3
Endowment Land Te Awamutu	123	1	-	124
Endowment Land Waipa District	14	-	-	14
Residential Housing Reserve	2,946	334	(318)	2,962
Reserve Contributions & Development Contributions				
Cambridge North	-	-	-	-
District Wide Stormwater	569	15,305	(15,234)	640
District Wide Waste Water	2,555	9,689	(9,307)	2,937
District Wide Water Treatment and Supply	3,007	3,372	(3,090)	3,289
District Wide Roding	1,542	18,310	(18,303)	1,549
District Wide Reserve Developments	832	110	-	942
District Wide Land Purchase	-	12,908	(12,908)	-
Cambridge Pool	-	51	(51)	-
Karapiro Reserve Development	-	7	(7)	-
Te Awamutu Library/Museum	93	6	-	99
Special Funds				
Cemetery Paterangi	5	-	-	5
Project Funding Reserve	10,208	1,066	(6,508)	4,766
General Insurance Reserve	526	4	(465)	65
Infrastructure Insurance Reserve	572	4	-	576
Te Awamutu 110kv Compensation Reserve	339	2	-	341
Pavement Levies	113	1	-	114
Road Asset Technical Accord (RATA)	14	39	-	53
Waste Minimisation Reserve	618	186	-	804
Separate Balances				
Roding Reserve	4,377	56,389	(56,786)	3,980
Stormwater Reserve	1,570	24,840	(24,238)	2,172
Water Supply Reserve	4,746	27,524	(28,196)	4,074
Waste Water Reserve	2,978	30,532	(29,515)	3,995
Depreciation Reserve - Long Term Assets	3,175	2,850	(2,548)	3,477
Depreciation Reserve - Medium Term Assets	1,566	2,874	(2,422)	2,018
Total Council Created Reserves	42,865	206,407	(210,112)	39,160

The table below sets out the purpose of the reserves held by Council and the related activities for these reserves.

Reserve	Purpose	Activity
Property reserves		
Asset sales Cambridge	Proceeds from Cambridge asset sales held in reserve to fund future asset purchases	Property
Asset sales Te Awamutu	Proceeds from Te Awamutu asset sales held in reserve to fund future asset purchases	Property
Asset sales general	Proceeds from district wide asset sales held in reserve to fund future asset purchases	Property
Endowment land Cambridge	Proceeds from sale of Cambridge endowment land held in reserve for endowment purposes	Property
Endowment land Pirongia	Proceeds from sale of Pirongia endowment land held in reserve for endowment purposes	Property
Endowment land Te Awamutu	Proceeds from sale of Te Awamutu endowment land held in reserve for endowment purposes	Property
Endowment land Waipa district	Proceeds from sale of district wide endowment land held in reserve for endowment purposes	Property
Forestry reserve	Proceeds from forestry harvesting to fund future forestry activities	Forestry
Residential housing reserve	Proceeds from residential housing rental revenue to fund the operating and capital expenditure of that activity.	Housing for the Elderly & Own Your Own Housing
Reserve contributions and development contributions		
Cambridge North	Proceeds from development contributions to fund growth related expenditure	Transportation / Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
District wide stormwater	Proceeds from development contributions to fund growth related expenditure	Stormwater
District wide wastewater	Proceeds from development contributions to fund growth related expenditure	Wastewater Treatment & Disposal
District wide water treatment and supply	Proceeds from development contributions to fund growth related expenditure	Water Treatment & Supply
District wide roading	Proceeds from development contributions to fund growth related expenditure	Transportation
District wide reserve developments	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves

Reserve	Purpose	Activity
District wide land purchase	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves
Te Awamutu library/museum	Proceeds from development contributions to fund growth related expenditure for Te Awamutu Library / Museum	District Libraries / Museums
Special funds		
Cemetery Paterangi	Proceeds held in reserve to fund future capital works	Cemeteries
Project funding reserve	Funding for specific projects to be completed in the following year	All activities
General insurance reserve	Provision to pay call-ups and to fund increase in deductibles of claims as well as to help to pay future premium increases	All activities
Infrastructure insurance reserve	Provision to help cover the insurance deductible if a major event happens in the Waipā district.	Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
Te Awamutu 110kv compensation reserve	Proceeds from the granting of easement rights for the Waipā Networks 110kv line, held in reserve for appropriate future utilisation with due regard to the source of these funds.	Properties
Pavement levies	Levies collected from land use consents for future pavement rehabilitation	Transportation
Road Asset Technical Accord (RATA)	Funds held in reserve for future works	Transportation
Waste minimisation	Net funds from waste minimisation levy held for use on waste minimisation activities.	Waste minimisation
Separate balances		
Roading reserve	Funds held in reserve for capital works expenditure	Transportation
Stormwater reserve	Funds held in reserve for capital works expenditure	Stormwater
Water supply reserve	Funds held in reserve for capital works expenditure	Water Treatment & Supply
Wastewater reserve	Funds held in reserve for operating and capital works expenditure	Wastewater Treatment & Disposal
Depreciation reserve long term assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Depreciation reserve medium term assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Asset revaluation reserves		
Operational		
Land	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities

Reserve	Purpose	Activity
Buildings	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
Infrastructural assets		
Sewerage system	Non cash reserve to record appreciation values arising from asset revaluations	Wastewater Treatment & Disposal
Water system	Non cash reserve to record appreciation values arising from asset revaluations	Water Treatment & Supply
Drainage network	Non cash reserve to record appreciation values arising from asset revaluations	Stormwater
Roading network	Non cash reserve to record appreciation values arising from asset revaluations	Transportation

Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets. The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance. The LGA requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP

25. Contingencies

Contingent liabilities

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Guarantees	168	175	168	175
	168	175	168	175

Council is listed as sole guarantor for a number of community organisation bank loans or bank overdrafts. The Council is obligated under each guarantee to make payment in the event that the organisation defaults on a loan arrangement.

Contingent liabilities not able to be quantified

Local Government Funding Agency

Council is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA) and is party to the guarantee of all borrowings of the entity.

This entity was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and has a local currency rating of AA+ from Fitch Ratings and AAA from Standard and Poor and a foreign currency rating of AA from Fitch Ratings and AA+ from Standard and Poor.

Council is one of 30 local authority shareholders and 54 local authority guarantors of the NZLGFA. The New Zealand Government also has a 20% shareholding in the LGFA. In that regard, the LGFA has total uncalled capital of \$20 million of which Council's portion is \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of the LGFA's borrowings. At 30 June 2023, NZ LGFA had borrowings totalling \$17,684,000,000 (2022 \$15,789,000,000). This figure is made up of the face value of LGFA's bonds on issue of \$16,678,000,000, accrued interest on bonds on issue of \$84 million, the face value of bills on issue of \$792 million and bonds LGFA lent to counterparties under bond repurchase transactions of \$130 million.

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- Council are not aware of any local authority debt default events in New Zealand in recent years; and
- Local government legislation enables local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required

Legal Proceedings

There are two current legal claims against Council relating to allegations of Council negligence. The plaintiffs seek in total over \$3.5 million in damages plus interest and costs. The Council intends to defend both proceedings.

At present, there is still insufficient information to conclude on potential liability and settlement quantum, if any.

Loan guarantee for New Zealand Sports Hall of Fame

In June 2022, Council confirmed its willingness to assist the New Zealand Sports Hall of Fame in their fundraising endeavours by committing to act as guarantor to its loan facility, should this be required in the future. The timing and amount of the guarantee is uncertain at period end.

Riskpool

Waipā District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Kodiak Consulting/Jon Hall

This matter involves fraudulent producer statements provided by Jon Hall/Kodiak Consulting Limited to Waipa District Council (design and construction). Waipa District Council is one of a number of councils throughout New Zealand affected by this situation. Council is in the process of identifying affected properties, these properties falling into one of three categories. Category 1 is those properties that have applied for building consent but not yet granted. Category 2 is where consent has been granted but CCC not yet issued and category 3 is those properties where CC has been issued. Council has notified its insurer on a precautionary basis. There are no claims against Council at this time. This matter is also the subject of a Police investigation.

Contingent assets

Council is a 2% capital beneficiary of the WEL Energy Trust. The life of the Trust ends in 2073 unless terminated earlier if its purpose is completed. Given the uncertainties surrounding the life of the Trust, Council is unable to accurately establish the appropriate value of the 2% shareholding.

26. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related party transaction to be disclosed

Council entered into a lease arrangement with Waipa Community Facilities Trust in 2013, for the Trust to occupy the Trust Waikato Te Awamutu Event Centre and the Cambridge Swimming Pool Complex. The lease covers a term of twenty years and attracts a rental charge of one dollar plus GST per annum, payable on 16 September each year.

Senior management and councillors' compensation

	Council	
	2023 \$000	2022 \$000
<i>Councillors</i>		
Remuneration	649	606
Full-time equivalent members*	16	14
<i>Executive Team, including Chief Executive</i>		
Remuneration	1,630	1,286
Full-time equivalent members	7	7
Total key management personnel remuneration	2,279	1,892
Total number of members	23	21

*Due to difficulty in determining the full-time equivalent for Councillors, the full-time equivalent is taken as the number of Councillors.

27. Events after balance date

There were no significant events after balance date.

28. Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Financial Assets				
Amortised Cost				
Cash and cash equivalents excluding term deposits	28,013	3	30,956	2,228
Trade and other receivables	8,089	6,464	7,202	6,400
Other financial assets:				
- term deposits	-	17,675	600	17,675
- community loans	10	11	10	11
- loans to other entities	-	-	-	-
Total amortised cost	36,112	24,153	38,768	26,314
Fair value through other comprehensive revenue and expense (FVTOCRE)				
- Borrower notes	2,740	2,740	2,740	2,740
- Investments in CCO's	36,847	33,568	36,847	33,568
Total FVTOCRE	39,587	36,308	39,587	36,308
Financial Liabilities				
FVTSD				
Derivative financial instrument liabilities	5	174	5	174
Financial liabilities at amortised cost				
Trade and other payables	11,171	10,252	11,947	10,252
Borrowings:				
- secured loans	226,000	149,500	226,005	149,505
Total financial liabilities at amortised cost	237,171	159,752	237,952	159,757

Financial instrument risk

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Liability Management and Investment policies which do not allow any transactions that are speculative in nature.

Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in the market prices. Council is not exposed to price risk as it does not enter into widely held equity security transactions.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. It is rare for Council to enter into foreign currency transactions of any significant value.

Interest rate risk

Interest rates on borrowings are disclosed in note 22.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing at fixed rates exposes Council to fair value interest rate risk and the Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps may be entered into to hedge the fair value interest rate risk arising from borrowing at fixed rates.

Disclosure of these hedging arrangements is made in Note 23. In addition investments at fixed interest rates give an exposure to fair value interest rate risk.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council to cash flow interest rate risks.

Generally, the Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation, causing Council to incur a loss. There are no specific concentrations of credit risk. Council only invests funds in bank deposits and local authority stock and the Investment Policy limits the exposure to any one organisation.

Council is exposed to credit risk as a guarantor of community organisation loans and LGFA borrowings. Information about this exposure is explained in note 25.

Maximum exposure to credit risk

Council's maximum credit risk exposure for each class of financial instrument is as follows:

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Cash at bank and term deposits	28,013	17,678	31,556	19,903
Receivables	8,889	6,464	8,002	6,400
Community and related party loans	10	11	10	11
Financial guarantees	18	25	18	25
Total	36,930	24,178	39,586	26,339

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to credit ratings (if available) or to historical information about counterparty default rates.

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term deposits				
AA-	28,013	17,678	28,013	19,903
Total cash at bank and term deposits	28,013	17,678	28,013	19,903
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Community and related party loans				
Existing counterparty with no defaults in the past	10	11	10	11
Total community and related party loans	10	11	10	11

Debtors and other receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers. The Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. In order to meet its commitments. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

The Council aims to maintain flexibility in funding by keeping committed credit lines available. Council maintains a liquidity buffer of \$1.5 million and has a committed cash advance facility of \$5.0 million. There are no funds drawn as at 30 June 2023.

As part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy.

Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 25.

Contractual maturity analysis of financial liabilities excluding derivatives:

The table below analyses the Council and group's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
Council 2023						
Creditors and other payables	11,171	11,171	11,171	-	-	-
Secured loans	226,000	254,480	55,737	43,974	119,467	35,302
Financial guarantees	-	18	18	-	-	-
Total	237,171	265,669	66,926	43,974	119,467	35,302
Group 2023						
Creditors and other payables	11,947	11,947	11,947	-	-	-
Secured loans	226,000	254,480	55,737	43,974	119,467	35,302
Financial guarantees	-	18	18	-	-	-
Total	237,947	266,445	67,702	43,974	119,467	35,302

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
Council 2022						
Creditors and other payables	10,252	10,252	10,252	-	-	-
Secured loans	149,500	160,496	49,040	30,082	61,260	20,114
Financial guarantees	-	25	25	-	-	-
Total	159,752	170,773	59,317	30,082	61,260	20,114
Group 2022						
Creditors and other payables	10,252	10,252	10,252	-	-	-
Secured loans	149,500	160,496	49,040	30,082	61,260	20,114
Financial guarantees	-	25	25	-	-	-
Total	159,752	170,773	59,317	30,082	61,260	20,114

Council has derivative financial instruments in the form of one (2022 one) interest rate swap arrangement, with this interest rate swap arrangement maturing in 2023.

Contractual maturity analysis of financial assets:

The table below analyses the Council and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
Council 2023						
Cash at bank and term deposits	28,013	28,013	28,013	-	-	-
Debtors and other receivables	8,889	8,889	8,889	-	-	-
Community loans	10	11	1	1	3	8
Total	36,912	36,913	36,903	1	3	8
Group 2023						
Cash at bank and term deposits	30,956	30,956	30,956	-	-	-
Debtors and other receivables	8,002	8,002	8,002	-	-	-
Community loans	10	11	1	1	3	8
Total	38,968	38,969	38,959	1	3	8

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
Council 2022						
Cash at bank and term deposits	17,678	17,678	17,678	-	-	-
Debtors and other receivables	6,464	6,464	6,464	-	-	-
Community loans	11	13	1	1	3	8
Total	24,153	24,155	24,143	1	3	8
Group 2022						
Cash at bank and term deposits	19,903	19,903	19,903	-	-	-
Debtors and other receivables	6,400	6,400	6,400	-	-	-
Community loans	11	13	1	1	3	8
Total	26,314	26,316	26,304	1	3	8

Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at the balance date.

Notes	2023 Actual \$000				2022 Actual \$000			
	-100 bps Other Profit	+100 bps Other Equity	-100 bps Other Profit	+100 bps Other Equity	-100 bps Other Profit	+100 bps Other Equity	-100 bps Other Profit	+100 bps Other Equity
Council								
Interest rate risk								
<i>Financial assets</i>								
Cash and cash equivalents	1	(280)	-	280	-	(177)	-	177
<i>Financial liabilities</i>								
Derivatives-hedge accounted	2	-	(12)	-	12	-	(70)	-
Total sensitivity on interest rates		(280)	(12)	280	12	(177)	(70)	177

Explanation of sensitivity analysis:

1. Cash and cash equivalents – Cash and cash equivalents include deposits at call totalling \$28,013,000 (2022 \$17,675,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$280,090 (2022 \$176,750).
2. Derivatives – hedge accounted – Financial Liabilities – Derivative financial liabilities hedge accounted includes interest rate swap fair value hedges totalling \$4,804 (2022 \$173,767). A movement in interest rates plus 100 bps has an effect of \$12 (2022 \$68,409) and minus 100 bps has an effect of \$12 (2022 \$69,540).

29. Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

There were no transfers between the different levels of the fair value hierarchy.

	Total \$000	Valuation technique		
		Quoted market price \$000	Observable inputs \$000	Significant non- observable inputs \$000
Council				
<i>30 June 2023</i>				
Financial assets				
Investments in CCO's	41,817	-	4,970	36,847
Financial liabilities				
Derivatives	5	-	5	-
Council				
<i>30 June 2022</i>				
Financial assets				
Investments in CCO's	36,308	-	2,740	33,568
Financial liabilities				
Derivatives	174	-	174	-

Valuation techniques with significant non-observable inputs (level 3)

The fair value for the investment in Waikato Regional Airport has been determined based on Council’s proportion of ownership of the airport’s net assets. In this case the replacement cost of the service potential embodied in the investment is a proxy for fair value. Given most of WRAL’s assets are carried at fair value, this can easily be derived using Council’s shareholding percentage of WRAL’s balance sheet. This approach is supported by the conceptual framework and by analogy of other standards for PBE assets.

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	Council	
	2023	2022
	\$000	\$000
Balance at 1 July	33,568	23,433
Investment Gain - recognised in other comprehensive revenue and expense	3,279	10,135
Impairment - recognised in comprehensive revenue and expense	-	-
Balance 30 June	36,847	33,568

30. Capital management

Council’s capital is its equity (or ratepayers’ funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

An objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today’s ratepayers to meet the costs of utilising Council’s assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council’s Long Term Plan.

Waipā District Council has the following Council created reserves:

- reserves for different areas of benefit;
- insurance reserves; and
- reserves and special funds.

Reserves for different areas of benefit are used where there is a separate rate set as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Special reserves are set up where Council has received funds that are restricted for particular purposes. Interest is added to these reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

31. Explanation of major variances against budget

Explanations for major variances from the 2022/23 budgeted figures are as follows:

Statement of comprehensive revenue and expense

- Fees and charges were \$2.4 million lower than budget mainly due to a reduction of \$9.4 million from property sales offset by an increase of \$3.9 million of revenue from Fonterra rates transferred (this also explains rates being under budget) and \$2.6 million of revenue from the Waipā Community Facilities Trust on consolidation.
- Development and reserve contributions were \$17.9 million lower than budget due to timing of developments coupled with a general downturn in the economy.
- The value of assets vested from developers was \$1.4 million lower than budget, this mainly relates to slower than anticipated growth in the district along with a general downturn in the economy and the timing of receiving assets from developers.
- Discovered assets were \$7.9 million higher than budget due to database improvement work undertaken.
- Finance revenue was \$555,000 higher than budget due to increase in interest rates.
- Subsidies and grants are \$5.5 million lower than budget mainly due to budget changes resulting in a reduction in budget of \$2.1 million of external funding for Te Ara Wai, \$1.9 million for external funding for Cemetery land acquisition and \$1.4 million of external funding for Cycling – Te Awamutu/Ngaroto/Pirongia Connection.
- Other revenue was \$562,000 higher than budget mainly due to revenue received from forestry harvesting.
- Depreciation was \$1.7 million higher than budget. This is due to higher than anticipated asset values from valuations.
- Other expenses are \$14.9 million higher than budget, this is mainly due to:
 - Loss on disposal of infrastructure assets \$12.4 million higher than budget mainly due to asset database improvements.
 - Transfer and impairment of assets and prior year capital costs for capital projects that are no longer proceeding or the scope has significantly changed of \$1.3 million.
 - Legal costs \$2.6 million higher than budget mainly due to the legal claim settlements.
 - These increases have been offset by net savings in other areas.

Statement of financial position

- The higher cash balance at year end is due to the timing of capital work, particularly development related projects.
- Borrowings at year end are \$39 million lower than budget. This is mainly due to delayed timing of capital works.

32. Prior year error correction

The Council and Group have adjusted its comparative year financial statements (for the year ended 30 June 2022) to correct prior period errors.

During 2022/23, the Council discovered that \$28.6m of infrastructure assets were incorrectly disclosed as Work-in-Progress at 30 June 2022, as they had been completed by that date. This correction is to classification only and has no impact on the total balance of property, plant and equipment.

Council also discovered that \$6.3m assets vested by 30 June 2022 had not yet been recognised as of that date in accordance with Council's accounting policy. Of this amount, assets of \$3.7m had been vested by 30 June 2021, resulting in a correction to the opening balances of the 2022 financial year. Corresponding corrections were also made to vested assets revenue.

The financial statements for 2022, which are presented as comparative information in the 30 June 2023 financial statements, have been restated to correct these errors.

The adjustments are shown below:

	Before adjustment		Adjustment	After adjustment	
	Council	Group	Both	Council	Group
	\$000	\$000	\$000	\$000	\$000
Statement of comprehensive revenue and expense					
Vested asset	14,853	14,853	2,626	17,479	17,479
Total Revenue	130,002	132,496	2,626	132,628	135,122
Operating surplus	28,704	28,937	2,626	31,330	31,563
Total comprehensive revenue and expense	167,803	168,036	2,626	170,429	170,662
Statement of changes in equity					
Balance 1 July	1,849,590	1,851,443	3,722	1,853,312	1,855,165
Total comprehensive revenue	167,803	168,036	2,626	170,429	170,662
Balance 30 June	2,017,393	2,019,479	6,348	2,023,741	2,025,827
Retained earnings	603,220	605,306	6,348	609,568	611,654
Total equity	2,017,393	2,019,479	6,348	2,023,741	2,025,827
Statement of financial position					
Property, plant and equipment	2,081,565	2,081,941	6,348	2,087,912	2,088,288
Total non current assets	2,161,296	2,161,672	6,348	2,167,643	2,168,019
Total Assets	2,185,523	2,188,060	6,348	2,191,870	2,194,407
Retained earnings	603,220	605,306	6,348	609,568	611,654
Total equity	2,017,393	2,019,479	6,348	2,023,741	2,025,827
Statement of cash flows (reconciliation to surplus/(deficit) after tax)					
Surplus/(deficit) after tax	28,704	28,937	2,626	31,330	31,563
Vested/discovered assets	(14,931)	(14,931)	(2,626)	(17,557)	(17,557)
Note 24 - Breakdown of equity and further information					
As at 1 July	573,802	575,655	3,722	577,524	579,377
Surplus/(deficit) for the year	28,704	28,937	2,626	31,330	31,563
Total retained earnings as at 30 June	603,220	605,306	6,348	609,568	611,654

	Sewerage system treatment 2022 \$000	Sewerage system reticulation 2022 \$000	Water system treatment 2022 \$000	Water system reticulation 2022 \$000	Drainage network 2022 \$000	Roading network 2022 \$000	Land under roads 2022 \$000	Total infrastructural assets 2022 \$000
Note 13 - Property, plant and equipment								
Movement schedule (infrastructure assets)								
Balance as at 1 July Cost/valuation	69,990	116,489	61,668	146,491	129,616	770,736	234,638	1,529,628
Adjusted	-	589	-	661	405	2,066	-	3,721
Restated 1 July Cost/valuation	69,990	117,078	61,668	147,152	130,021	772,802	234,638	1,533,349
Additions (constructed by Council)	-	229	-	14,683	3,878	5,913	-	24,703
Adjusted	13,836	346	950	5,213	1,244	7,051	-	28,640
Restated Additions (constructed by Council)	13,836	575	950	19,896	5,122	12,964	-	53,343
Additions (vested to Council)	656	2,428	-	2,123	5,002	4,617	-	14,826
Adjusted	-	407	-	254	2,197	(232)	-	2,626
Restated Additions (vested to Council)	656	2,835	-	2,377	7,199	4,385	-	17,452
Work in progress (net transfers)	2,429	5,190	3,785	3,098	(1,501)	3,038	-	16,039
Adjusted	(13,836)	(346)	(950)	(5,213)	(1,244)	(7,051)	-	(28,640)
Restated Work in progress (net transfers)	(11,407)	4,844	2,835	(2,115)	(2,745)	(4,013)	-	(12,601)
Balance as at 30 June Cost/valuation	73,075	124,319	65,453	152,718	136,972	781,715	234,638	1,568,890
Adjusted	-	996	-	915	2,602	1,834	-	6,347
Restated 30 June Cost/valuation	73,075	125,315	65,453	153,633	139,574	783,549	234,638	1,575,237
Closing carrying amount	69,926	121,722	63,686	149,355	135,014	770,568	234,638	1,544,909
Adjusted	-	996	-	915	2,602	1,834	-	6,347
Restated Closing carrying amount	69,926	122,718	63,686	150,270	137,616	772,402	234,638	1,551,256

	Before adjustment		After adjustment
	Council	Adjustment	Council
	2022	2022	2022
	\$000	\$000	\$000
Note 13 - Property, plant and equipment			
WIP summary			
Wastewater treatment and disposal	25,978	(14,182)	11,796
Water treatment and supply	16,133	(6,163)	9,970
Drainage network	9,390	(1,244)	8,146
Roading network	17,918	(7,051)	10,867
Total	79,322	(28,640)	50,682

	Before adjustment		After adjustment
	Council	Adjustment	Council
	2022	2022	2022
	\$000	\$000	\$000
Reconciliation between FIS and SoCRE			
Total revenue and expense wholly attributable to District Council	168,036	2,626	170,662
Difference	137,576	2,626	140,202
Vested assets	14,853	2,626	17,479
Total explained difference	137,576	2,626	140,202

33. INVOLVEMENT IN COUNCIL CONTROLLED ORGANISATIONS AND COUNCIL ORGANISATIONS

The Local Government Act 2002 requires Council to include in the Annual Report information on Council controlled organisations and Council organisations in which it is a stakeholder. In particular, Council must include:

- Its significant policies and objectives regarding ownership and control of the organisation;
- The nature and scope of the activities to be provided by the organisation; and,
- The key performance targets and other measures by which performance may be judged.

We are a shareholder in three organisations that are classified as Council controlled organisations as defined by the Local Government Act 2002. The organisations are:

- Waikato Regional Airport Limited, also known as Hamilton International Airport;
- Local Government Funding Agency Limited; and
- Waikato Local Authority Shared Services Limited (trading as Co-Lab Limited).

Further detail on each of these organisations can be found in our 2021-31 Long Term Plan and on pages 96 to 104 of this Annual Report.

Waikato Regional Airport Limited

Waikato Regional Airport Limited is jointly owned by five local authorities – Hamilton City Council, Waipa District, Waikato District, Matamata-Piako District and Otorohanga District Councils.

Waipa District Council's shareholding is 15.625 percent.

Corporate mission

The mission of Waikato Regional Airport Limited is to operate a successful commercial business providing safe, appropriate and efficient services for the transportation of people and freight in and out of Hamilton Airport.

Goal

The retention of the Airport as a major infrastructural facility is important to the Waikato economy.

Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Regional Airport.

Nature and scope of activities to be undertaken as per 2022/23 statement of intent

Operate an efficient and compliant airport

- Operate a first class safe and compliant regional airport by providing for essential projects for essential projects, together with any compliance expenditure warranted.

Enhance the traveller experience

- Maximise traveller satisfaction and airport experience.

Maintain a viable aeronautical business

The COVID-19 pandemic has painted a very different canvas for the aviation sector over the next few years. They will:

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Promote the recovery and new development opportunities of the general aviation sector.
- Develop and implement a plan to give effect to, or seek renewal of the runway extension designation.
- Position and protect the airport as an efficient, cost effective international port of arrival.
- Pursue all new international air service opportunities (both charter and scheduled services) as New Zealand's international borders open up.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.
- Identify sources and monitor carbon and emissions. Incorporate reduction initiatives into capital projects.

Maximise revenue diversification through non-aeronautical business opportunities

- Support the development of land within the bounds of a sound, strategic approach to long-term planning for the airport precinct by its subsidiary Titanium park Limited (TPL).
- Titanium Park Ltd will continue marketing for sale, development and optimised investment, all available non-aeronautically strategic land in a planned and co-ordinated approach.
- In conjunction with the hotel manager, maximise the recovery plan and earnings of the recently acquired and upgraded airport hotel business upon completion of the Managed Isolation Facility contract.

Ensure appropriate internal and external resource to enable a commercially driven and high performing organisation

Knowledgeable and capable, high performing and appropriately resourced personnel to ensure sound reporting and accountability, and delivery of the strategic plan.

Dividend policy

The Directors will review the performance and outlook for the group annually before declaring any dividend.

Performance results as per 2022/23 Annual Report

	2022/23 Target \$000	2022/23 Results \$000	2022/23 Outcome
Earnings performance targets			
Net profit before tax <i>no less than</i>	6,000	10,763	Achieved
EBITDA excluding land sales	4,300	5,674	Achieved
EBITDA including land sales	11,100	15,764	Achieved
Percentage of non-landing charges revenue of <i>at least</i>	60%	70%	Achieved
Land sales of a least	14,000	14,723	Achieved
Interest cover <i>at least</i>	4.0	9.7	Achieved
Cash flow and funding performance targets			
Net operating cash flow (excluding land sales)	3,500	2,656	Not achieved
Net debt <i>a maximum of</i>	30,000	20,149	Achieved
Shareholder value performance targets			
Shareholder funds to total assets of at lease	75%	86%	Achieved

New Zealand Local Government Funding Agency Limited

The New Zealand Local Government Funding Agency Limited (LGFA), which is a council controlled trading organisation, has been established by the Local Government sector and the Crown to enable local authorities to borrow at lower interest margins than would otherwise be available.

The main objectives of LGFA will be to:

- Achieve the objectives of the Shareholders (both commercial and non- commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- Conduct its affairs in accordance with sound business practice.

Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of LGFA.

Nature and scope of activities to be undertaken as per 2022/23 Statement of Intent

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (participating borrowers).

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to participating borrowers that have entered into required relevant legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA's fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

Performance targets as per 2022/23 Annual report

Performance targets are specified in the LGFA Statement of Intent for 2022/23 and are summarised with actual results below:

Financial performance measure:	2022/23 Targets	2022/23 Results	2022/23 outcome
Comprehensive income			
Interest income	10.9m	763.6m	Not achieved
Interest expense	0m	753.4m	Not achieved
Other income	1.3m	1.3m	Achieved
Net Income	12.2m	11.6m	Not achieved
Insurance and on-lending costs	3.7m	3.6m	Achieved
Approved Issuer Levy	0.8m	0.6m	Achieved
Operating expenses	4.9m	4.9m	Achieved
Insurance and operating expenses	9.4m	9.1m	Achieved
P & L	2.8m	2.5m	Achieved
Financial Position			
Liquid assets portfolio	2,005m	1,861m	Achieved
Loans to local government	15,004m	16,314m	Achieved
Total assets	17,009m	18,175m	Achieved
Total bonds (nominal ex treasury stock)	16,050m	15,160m	Achieved
Bills on issue	500m	783m	Not achieved
Borrower notes	313m	360m	Achieved
Other liabilities	-	1,766m	Not achieved
Total liabilities	16,863m	18,069m	Achieved
Capital	25m	25m	Achieved
Retained earnings	82m	81m	Achieved
Shareholder equity	106m	106m	Achieved

2022/23 performance targets:	2022/23 target	2022/23 outcome
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches	Achieved
Maintain LGFA's credit rating equal to the New Zealand Government's sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	Achieved
LGFA's total operating income for the period to 30 June 2023.	>\$12.2million	Not achieved
LGFA's total operating expenses for the period to 30 June 2023.	<\$9.4 million	Achieved
Share of aggregate long-term debt funding to the Local Government sector.	>80%	Achieved
Total lending to Participating Borrowers.	>\$15,004 million	Achieved
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	>85% satisfaction score	Achieved
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	Achieved
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	Achieved
Comply with the Health and Safety at Work Act 2015	No breaches	Achieved
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.	Achieved
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	Achieved
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	Achieved
Meet all mandatory climate reporting standards.	100%	Achieved
Review each participating borrower's financial position under LGFA policies.	100%	Achieved
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%	Achieved

Waikato Local Authority Shared Services Limited (Trading as Co-Lab Limited)

Shareholders

Waikato Local Authority Shared Services Limited is jointly owned by 12 local authorities.

- Hamilton City Council
- Hauraki District Council
- Matamata-Piako District Council
- Otorohanga District Council
- Rotorua Lakes Council
- South Waikato District Council
- Taupo District Council
- Thames-Coromandel District Council
- Waikato District Council
- Waikato Regional Council
- Waipā District Council
- Waitomo District Council

Background

The local authorities within the boundaries of the Waikato region have adopted shared services as a mechanism for providing back office type services in a coordinated manner across the region to leverage opportunities and deliver benefits. Over the period that Waikato Local Authority Shared Services Limited has been operating, the following positive outcomes have been achieved:

- Improved level and quality of service.
- Coordinated approach to the provision of services.
- Reductions in the cost of services.
- Opportunities to develop new initiatives.
- Standardisation of service levels.
- Opportunities for all councils, irrespective of location or size, to benefit from joint initiatives.
- Economies of scale, resulting in cost saving, have been achieved in procurement.

Council policies and objectives relating to Council Controlled Organisations

The Constitution of Waikato Local Authorities Shared Services Limited sets out the principles and expectations around how the company will be governed and operated. While council has no formal policies and objectives, it has become a shareholder on the basis that the Waikato Local Authority Shared Services Limited will develop products and services of significant benefit to Waipā residents and ratepayers.

The objectives of WLASS are to:

- enable the Waikato councils to collectively be more effective as a region on the national stage
- contribute to building central government’s confidence in the Waikato region, and to encourage central government investment
- achieve effectiveness and efficiency gains
- reduce duplication of effort and eliminate waste through repetition
- helping the councils achieve an appropriate balance in risk and return
- promote and contribute to the development of best practice
- make it easier for communities to engage with councils in the Waikato region on a consistent basis
- promote business transformation to improve communities’ experiences.

Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Local Authority Shared Services Limited.

Benefits of WLASS

Over the period that the company has been operating benefits have been delivered in the form of:

- Improved level and quality of services;
- Co-ordinated approach to the provision of services;
- Reductions in the cost of services;
- Development of new initiatives;
- Opportunities for all councils (irrespective of their location or size) to benefit from joint initiatives; and,
- Economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

Based on feedback from the shareholding Councils and the Mayoral Forum, the WLASS Directors continue to discuss opportunities to develop shared services at Board meetings. The Directors see the continuing investigation of possible future shared services as a key focus of their role.

Waikato Local Authority Shared Services Limited has the following priorities and performance measures:

PRIORITY	PERFORMANCE MEASURE	TARGET	OUTCOME
<p>Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives.</p>	<p>Business cases will include measurable benefits linked to one or more of the outcomes sought.</p> <p>Business cases are supported by councils (evidenced by take up of the opportunity).</p>	<p>Projected savings/increased revenue to councils of at least \$300k.</p> <p>75% of councils.</p>	<p>Not achieved</p> <p>Unable to measure</p>
<p>Develop opportunities and deliver projects within agreed budgets and timelines¹.</p>	<p>Opportunities/projects are developed/delivered within agreed timeframes.</p> <p>Opportunities/projects are developed/delivered, within approved budgets.</p> <p>Overall, Company Management/Support functions will be undertaken within budget, unless additional expenditure has board pre-approval.</p>	<p>80%</p> <p>90%</p>	<p>Not achieved</p> <p>Not achieved</p> <p>Not achieved</p>

¹ Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery.

² Time and cost targets for the development of opportunities and delivery of projects have been initially set based on what, in practical terms, are considered stretch goals, but achievable. However, we aspire to always better, or at least meet, timetables and budgets.

PRIORITY	PERFORMANCE MEASURE	TARGET	OUTCOME
Ensure projects realise their expected benefits.	Measurable benefits are actively monitored and reported against. Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised).	Six-monthly. For 200k+ Projects (based on cost of opportunity development and ongoing investment) Assessment within 15 months. 90% of projected quantifiable benefits are realised.	Achieved Achieved Achieved
Ensure existing services are meeting the needs of councils.	The services we provide are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):	80% of Councils.	Not achieved
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice.	Across these groups, ideas for future consideration and/or initiatives are identified each year.	Four per annum.	Achieved

Performance results as per 2022/23 Annual Report

Financial performance measure:	2022/23 Budget \$000	2022/23 Results \$000
Comprehensive income		
Data sales	414	380
Interest	2	5
Other revenue	10,997	8,716
Net Income	11,410	9,101

Financial performance measure:	2022/23 Budget \$000	2022/23 Results \$000
Personal costs	1,799	1,621
Depreciation and amortization expense	46	44
Other expenses	9,563	6,931
Total expenditure	11,408	8,596
P & L	505	2
Financial Position		
Current assets	2,879	5,497
Non-current assets	109	103
Total assets	2,988	5,600
Current liabilities	1,495	3,019
Non-current liabilities	-	5
Total liabilities	1,495	3,098
Net Assets	1,492	2,496
Capital	2,957	2,957
Retained earnings	(1,465)	(461)
Shareholder equity	1,492	2,496

PART 6 - NGĀ TAIPITOPITO O Ā MĀTOU MAHI / OUR PERFORMANCE IN DETAIL

In this section

This section describes in detail how we performed in each of our groups of activities. Each activity area includes an overview of the activities from the year, and a summary of financials and performance measures.

How to read this section:

What's being reported:

- **Overview of the year:** includes the summary of our financial and non-financial information.
- **Activity information:** outlines what is delivered, contribution to community outcomes and identified effects on community wellbeing.
- **Financial information:** capital expenditure and operational expenditure for each activity area.
- **Performance information:** overview of level of service performance measures. Performance measures cover quality, timeliness, utilisation and satisfaction.

How we group activities

Our services in this Annual Report are gathered within eight groups, each containing a number of activities.

Seven of the groups of activities are focused on public service delivery, with the contents of four of these set by legislation, while the remaining three have been grouped according to Council's corporate structure of related activities. The remaining group of activities, support services, is internally focused and is not an official group of activities as defined in the Local Government Act 2002. However, it is included in the Annual Report as it contains a significant number of our activities and, together with the other groups, provides a complete picture of the activities Council provides. Support services support the delivery of community services within each group of activities. While the costs of support services are

How we measure performance

For each group of activities, a range of targets and measures were developed as part of the long-term plan (LTP) 2021-2031 to show the standard of performance expected over the next ten years and the means by which we intend to measure that performance. The measures, when considered collectively, are intended to provide a general view of the overall performance in each area.

included within each group, they are also shown separately at the end of the section to show the total indirect costs.

The accompanying notes form part of the statement of service performance information. The groups of activities covered in this section are:

- | | |
|-------------------------------------|---|
| ▪ Governance | Section 6.1 and Pages 145 to 146 |
| ▪ Planning and Regulatory | Section 6.2 and Pages 146 to 149 |
| ▪ Community Services and Facilities | Section 6.3 and Pages 149 to 157 |
| ▪ Transportation | Section 6.4 and Pages 157 to 159 |
| ▪ Stormwater | Section 6.5 and Pages 160 to 161 |
| ▪ Wastewater Treatment and Disposal | Section 6.6 and Pages 162 to 163 |
| ▪ Water Treatment and Supply | Section 6.7 and Pages 163 to 167 |
| ▪ Support Services | Section 6.8 and Pages 167 to 168 |

6.1 GOVERNANCE

What we do

The Governance group of activities represents the decision-making function of elected officials who are supported by communications specialists, strategy advisors and the governance business unit to manage democratic processes.

Governance activities include performance measures for:

- Representation
- Communications and engagement

Additionally, the Governance group of activities is responsible for ensuring Māori involvement in decision-making, developing strategy and enhancing community relationship.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan (LTP).

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We have financially sustainable decision making and work programmes*
- *Our services provide excellent value for money*
- *We actively promote our district to enable development, employment and business opportunities*

Socially resilient

- *Waipā is a great place to live, work, play and invest*

Cultural champions

- *We have a high level of cultural awareness*
- *We partner with tangata whenua*
- *We respect the cultural diversity in our district*

Identified effects on community wellbeing

The Governance group of activities is the key area for the democratic processes of Council. A significant amount of work goes into ensuring clear communication is achieved (both to and from Council) via the formal community representative groups – including Council’s Committees and Community Boards.

Council uses community engagement strategies which ensure that the public is able to participate in the consultation and decision-making processes of Council. We will continue to use a large number of engagement channels including social

media as well as traditional methods to reach as many people as possible. This focus on engagement with residents is aimed at both educating people about what Council does as well as gathering feedback to gauge the most acceptable way forward in terms of decision making. This helps Council to achieve the current and future needs of our communities in an effective manner for households, businesses, and Council.

Strategic planning processes are also included in this group of activities. The development, sharing and implementation of effective plans and policies are the foundation of good governance. Of special importance is our participation in the Waikato Mayoral Forum, which works to ensure consistent local government application across communities, cost cutting through sharing of services and the provision of cohesive community leadership. Within this strategic planning role are a number of planning initiatives, including the Waipā 2050 Growth Strategy,

the Future Proof Sub-Regional Strategy, and the development of Ahu Ake, our district-wide Community Spatial Plan. The operative Waipā District Plan is a key document that provides Council with resource management planning controls that give effect to National, Regional, and Sub-regional directives, while enabling appropriate development of the district and helping to protect our highly productive land. Council’s other strategies, policies and bylaws all help to ensure that we successfully deliver on our vision to build connected communities.

Statement of service performance: Governance

What to expect from us:

Representation

- The Community have access to timely and accurate information.
- We provide opportunities for our communities to engage with Council and participate in decision-making processes.

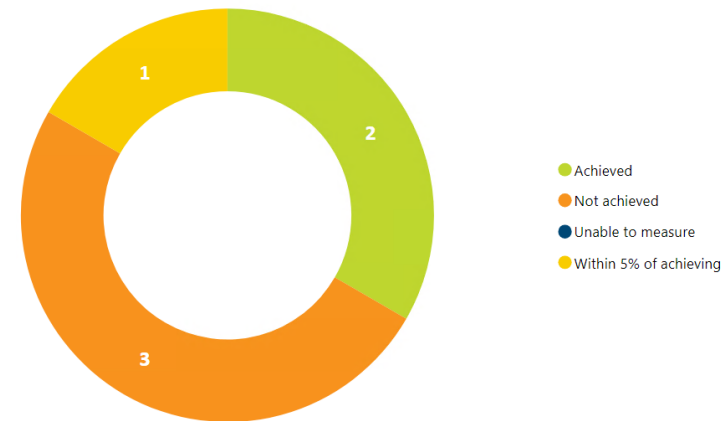
Communications and Engagement

- We provide regular communication to the district enabling community sharing and engagement.

Statement of service performance overview

This Group of Activity is responsible for 5.31 percent of Council’s performance measures.

- We showcase how we’re building champion communities.



Capital expenditure table

	2022/22 Long-term Plan \$000	2022/23 Long-term Plan \$000	2022/23 Actual \$000
To Improve Level of Service			
Bliiboards & Signage	-	-	10
Major Eevents	-	-	8
TOTAL CAPITAL EXPENDITURE	-	-	18

Internal borrowing statement

	Opening Balance 1 July 2022 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2023 \$000	Interest \$000
Activity Loans	1,870	(397)	634	2,107	36
Total	1,870	(397)	634	2,107	36

**Waipā District Council funding impact statement for year ended 30 June 2023
for Governance**

	2021/22 Long-term Plan \$000	2022/23 Long-term Plan \$000	2022/23 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	7,712	7,962	5,899
Targeted rates	1,020	1,030	1,065
Subsidies and grants for operating purposes	54	55	47
Fees and charges	-	56	60
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total sources of operating funding (A)	8,786	9,103	7,071
Applications of operating funding			
Payments to staff and suppliers	4,280	4,453	4,860
Finance costs	39	32	36
Internal charges and overheads applied	3,219	3,289	3,653
Other operating funding applications	1,099	1,096	1,358
Total applications of operating funding (B)	8,637	8,870	9,907
Surplus (deficit) of operating funding (A - B)	149	233	(2,836)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	18
- to replace existing assets	-	-	-
Increase (decrease) in reserves	149	233	(2,854)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	149	233	(2,836)
Surplus (deficit) of capital funding (C - D)	(149)	(233)	2,836
Funding balance ((A - B) + (C - D))	-	-	-

6.2 PLANNING AND REGULATORY

What we do

We provide planning and regulatory services to manage the natural and physical resources of the district, and to promote and protect the health and safety of our communities

Planning and Regulatory activities include;

- Animal Control
- Building Compliance
- Development Engineering
- Environmental Health
- Resource consents, enforcement and land information memorandums

As our district continues to experience significant development and population growth, robust planning and regulatory services will be integral to the creation of

liveable communities. Our planning and regulatory activities are governed and directed by national legislation, national directions, and regional and local policies and bylaws. These policies and bylaws are subject to regular reviews and link to other Waikato councils when appropriate. Public health and safety activities are fundamental to the protection of life and property in the community.

We will continue to monitor the various legislative development and review processes, with significant changes considered and responded to as part of future annual and long term plans.

The current and projected growth increases the pressures on: our town character and outstanding landscapes; internationally significant peat lakes; stands of indigenous trees; natural features; rural character; and historically significant sites.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 10-Year Plan.

How the Governance group of activities helps deliver our community outcomes

Environmental champions

- *Environmental awareness and responsibility is promoted within the community*
- *We are responsive to climate change*

Cultural champions

- *We champion the unique history of Waipā*
- *We have a high level of cultural awareness*

Socially resilient

- *Waipā provides a high quality of life for current and future generations*

Identified effects on community wellbeing

The planning and regulatory group of activities guide, enhance and maintain the quality of the district’s natural and physical environment and ensures that communities are safe in a district that is developed in a sustainable way.

Maintaining Public Health and Safety are important components of this group of activities. Complaints about aggressive dogs are investigated and actioned. Dog owner education is undertaken where appropriate. This minimises danger, distress and nuisance to the public, and keeps people safe and educated about their responsibilities.

Environmental services teams operate under the Food Act, Health Act and other legislation where public health is the focus, and the Sale and Supply of Alcohol Act 2012 has reduction of alcohol related harm as its aim.

All buildings that have had a Code Compliance Certificate issued at the completion of the building work will comply with the requirements of the Building Code. These buildings will therefore be safe and sound and provide a secure environment in which to work and live.

Statement of service performance: Planning and Regulatory

What to expect from us:

Animal control

- Animal control is managed in a way that ensures support is provided to both animals and the community in a timely manner.

Building compliance

- We ensure that buildings, including earthquake-prone buildings, are safe and fit for purpose.

Development engineering

- We are responsive to enquiries and requests for information.

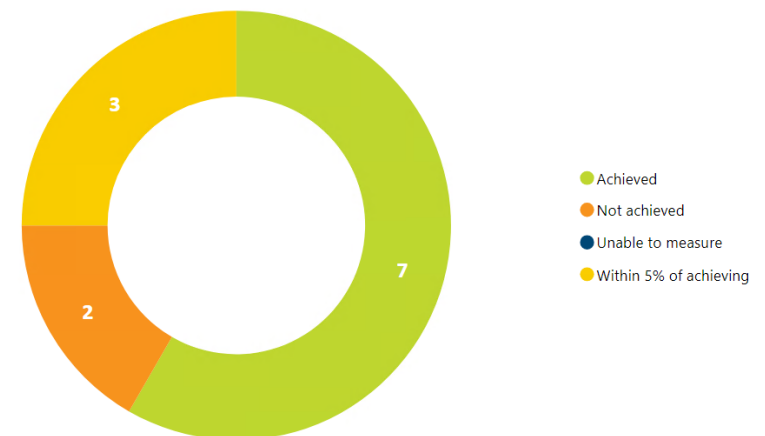
Environmental health

- We ensure the public sale and supply of alcohol is undertaken safely and responsibly.
- Noise and smoke control is provided to the community in a timely manner
- Food premises maintain a high level of food safety.

Resource consents and monitoring, and land information memorandums

- We achieve community aspirations through the implementation and enforcement of the District Plan

Performance Measure Results



Statement of service performance overview

This Group of Activity is responsible for 10.62 percent of Council’s performance measures.

Capital expenditure table

	Notes	2021/22 Long-term Plan \$000	2022/23 Long-term Plan \$000	2022/23 Actual \$000
To Improve Level of Service				
Dog Pound Development	1	150	616	51
TOTAL CAPITAL EXPENDITURE		150	616	51

Explanation of funding impact statement operating variances between LTP and Actual

1. Lower than expected expenditure for Dog pound Development due to timing of development. This project has been deferred to the 2023/24 year.

Internal borrowing statement

	Opening Balance 1 July 2022 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2023 \$000	Interest \$000
Activity Loans	759	(83)	4,024	4,700	15
Total	759	(83)	4,024	4,700	15

Waipā District Council funding impact statement for year ended 30 June 2023 for Planning and Regulatory

	2021/22 Long-term Plan Notes	2022/23 Long-term Plan \$000	2022/23 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,639	3,779	4,178
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1	1	-
Fees and charges	5,474	5,730	5,987
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	44
Total sources of operating funding (A)	9,114	9,510	10,209
Applications of operating funding			
Payments to staff and suppliers	1	6,777	7,112
Finance costs	-	5	11
Internal charges and overheads applied	2,726	2,819	3,175
Other operating funding applications	-	-	-
Total applications of operating funding (B)	9,508	9,942	13,743
Surplus (deficit) of operating funding (A - B)	(394)	(432)	(3,534)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	150	616	51
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(544)	(1,048)	(3,585)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(394)	(432)	(3,534)
Surplus (deficit) of capital funding (C - D)	394	432	3,534
Funding balance ((A - B) + (C - D))	-	-	-

Explanation of significant costs of service variances between LTP and Actual

1. Operating expenditure is \$3.4m higher mainly due to an increase of legal fees of \$2.4m for settlement of dispute and \$835,000 additional costs for PC 26 Housing Supply Act.

6.3 COMMUNITY SERVICES AND FACILITIES

What we do

We provide recreational benefits and promote the social and environmental wellbeing of our communities. Community services and facilities activities include;

- Parks & Reserves
 - Open Spaces
 - Playgrounds
 - Public Toilets
 - Cemeteries
- Libraries
- Heritage
 - Property Services
 - Community Land & Buildings
 - Housing for the Elderly
- Public Swimming Pools
- Waste Management and Minimisation
- Emergency Management

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes Economically progressive

- *Our services provide excellent value for money*
- *Waipā is a great place to invest and do business*
- *We have financially sustainable decision making and work programmes*

Environmental champions

- *Environmental awareness and responsibility is promoted within the community*

Cultural champions

- *We champion the unique history of Waipā*
- *We have a high level of cultural awareness*

Socially resilient

- *Waipā is a great place to live, work, play & invest*
- *Waipā provides a high quality of life for current and future generations*

Identified effects on community wellbeing

The community services and facilities group of activities provides recreational benefit and promotes the social and physical wellbeing and engagement of our communities. Parks, sports reserves and swimming pools provide for physical and environmental wellbeing, while libraries, museums and housing for the elderly

cater for social and cultural wellbeing. The Waipā Community Facilities Trust was established to ensure that levels of service for our swimming pool facilities are maintained and enhanced.

Statement of service performance: Community Services and Facilities

What to expect from us:

Parks, Reserves & Open Spaces

- Provision of an adequate network of multi-purpose open spaces which provide for passive and active recreation and sporting activities.

Playgrounds

- Provision of an adequate network of playgrounds which provide for safe and stimulating play.

Public Toilets

- Provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors while minimising public health risks and environmental impact, in a way that is most cost effective.

Cemeteries

- Provision of accessible cemeteries and interment services which meets the needs of the community.

Libraries

- Provision of library facilities with sufficient resources and services which provide the necessary support for the communities' learning and leisure needs.

Community Land & Buildings

- Council is responsive to community land and building-related service requests.

Housing for the Elderly

- Council is responsive to service requests relating to housing for the elderly.

Heritage

- The district's community and visitors are provided with appropriate opportunities to experience the district's heritage through interpretation, education and conservation delivered directly by Council and through partnerships.

Public swimming pools

- Safe and pleasant aquatic facilities are provided which offer a variety of casual and programmed activities which cater for the needs of the community.

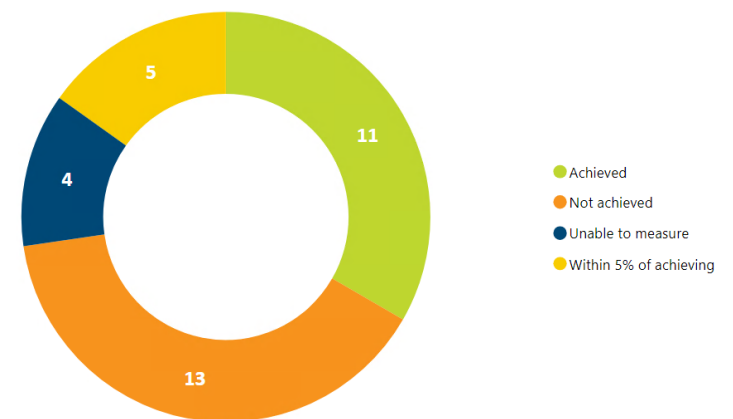
Waste management & minimisation

- Provision of an effective waste minimisation education programme.
- Provision of a convenient kerbside recycling service.

Emergency Management

- We remain suitably capable to provide a high-level response in the event of a Civil Defence Emergency.

Performance Measure Results



Statement of service performance overview

This Group of Activity is responsible for 29.20 percent of Council's performance measures.

Capital expenditure table

	Notes	2021/22	2022/23	2022/23
		Long-term Plan \$000	Long-term Plan \$000	Actual \$000
To Meet Additional Demand				
Reserve Purchases - Developments	1	3,990	8,286	10,816
Playground Reserve Land Cambridge North	1	410	-	895
Playground Reserve Land CB North LTP Yr3		379	-	-
Cambridge North Land Acquisition and Development		1,800	1,285	824
C8 Hautapu Industrial Land Acquisition and Development		700	-	266
T1 Land Acquisition and Development: Structure Plan Areas		-	-	-
Total Capital Expenditure to Meet Additional Demand		7,279	9,571	12,801
To Improve Level of Service				
Cambridge Town Belt Development		-	-	22
Reserve Developments		214	107	87
Addison Street Development - Property		15	-	-
Karapiro Domain Improvements	2	119	687	63
Peat Lake Programme		26	15	2
Purchase of land for Te Awamutu Western Arterial		-	-	567
Storage Facilities for Climax Engine		105	-	-
Colgan Street Development - Property		886	-	-
Te Rahu Road Development - Property		385	-	19
Pukemako A & B - Planning & Restoration		-	21	38
Land Wars - Site Interpretation and Facilities		-	-	-
Implementation of Heritage Strategy Framework		-	-	35
Cycling - Te Awamutu/Ngaroto/Pirongia Connection	3	5,100	1,088	260
Public Conveniences - New Toilet Blocks		-	212	74
Lake Rotopiko - Heritage Development		50	31	-
Lake Mangakaware - Restoration & Development		7	8	-
Housing for the Elderly- Upgrade and New Buildings		3,170	-	312
Mt Pirongia - collaboration with DOC		30	-	-
Erosion Control and Amenity Enhancement		326	295	134
Design and Build Te Ara Wai	4	-	1,439	44
District Wide Skateparks	5	120	1,778	1,055
Waipuke Reserve Development		53	167	16
Kihikihi Town Clock Repairs		40	-	17
Karapiro Domain Improvements		140	486	-
Purchase of new investment property	6	-	-	2,493
Cambridge Water Tower - Upgrade		-	-	162
Purchase of Sainsbury Rd Leasehold Interest		-	-	600
Cambridge Town Pool Development		-	-	87

Explanation of capital expenditure variances between LTP and Actual

1. Reduced spend on growth cell projects due to development timing.
2. Reduced spend for Karapiro Domain Improvements. This has been deferred to the 2023/24 year.
3. The spend on the Cycling – Te Awamutu/Ngaroto/Pirongia Connection is lower than the 2021-31 LTP by \$828,000 due to timing delays. This has been deferred to the 2023/24 year.
4. The design and build Te Ara Wai was \$1.4 million lower than budget. This has been deferred to the 2023/24 year.
5. District wide skate parks was \$723,000 lower due to the Te Awamutu skate park upgrade brought forward in the 2021/22 year.
6. The purchase of new investment property was \$2.5 million higher than budget.
7. Reduced spend for Cambridge Town Hall upgrades of \$1.3 million. This has been carried forward to the 2023/24 year.
8. T1 land acquisition and development: structure plan areas budget was carried forward to the 2023/24 year.

Internal borrowing statement

	Opening	Loan		Closing	Interest
	Balance 1 July 2022 \$000	Repayments \$000	Loans Raised \$000	Balance 30 June 2023 \$000	
Activity Loans	42,020	(2,053)	12,703	52,670	802
Total	42,020	(2,053)	12,703	52,670	802

Memorial Park	288	-	172
Museum Minor Assets	-	-	2
Maungatautari - Hicks Rd Formation	150	-	114
Ngaroto Heritage Restoration	105	65	
Library RFID Technology	265	-	240
Cambridge Town Hall Clock Tower Repair	-	-	14
Pirongia Town Hall	20	-	
Cambridge Town Hall Upgrades	7	60	1,748
LTP Potential Property Development & Sales	210	216	-
Cambridge Town Hall Clock Tower Repairs	25	180	-
Castleton Park	473	86	-
Sports Fields Improvements	-	617	1,052
Ngahinapouri Land Acquisition and Development	-	280	548
T8 Land Acquisition and Development: Structure Plan Areas	784	401	825
T1 Land Acquisition and Development: Structure Plan Areas	8	-	1,429
Horahora Domain Land Purchase	400	-	-
Kihikihi Memorial Hall	20	-	14
Lake Te Ko Utu	268	499	7
Cemetery Capacity Developments	-	-	79
Collective Hydro Lakes	70	51	142
Other Minor Assets	-	-	226
Play provision outside of Structure Plans	500	-	269
Total Capital Expenditure to Improve Level of Service	14,424	11,906	10,241
To Replace Existing Assets			
Karapiro/Arapuni Lakes Programme	-	154	28
Housing for the Elderly Renewals	300	308	831
Playground Equipment & Safety Surfaces Renewal	566	441	414
Parks Structure Renewals	-	103	38
Parks Renewals	325	310	481
Plant Replacement - Mighty River Domain	80	15	17
Parks Plant & Equipment Replacement	196	328	109
Carpark Renewals	24	62	-
Library Books Te Awamutu	177	182	173
Library Books Cambridge	177	182	173
District Pools Plant Renewals	103	603	-
Other Minor Asset Renewals	129	512	
Public Conveniences Renewals	-	-	218
Total Capital Expenditure to Replace Existing Assets	2,077	3,200	2,482
TOTAL CAPITAL EXPENDITURE	23,780	24,677	25,524

**Waipā District Council funding impact statement for year ended 30 June 2023
for Community Services and Facilities**

	2021/22	2022/23	2022/23
	Long-term	Long-term	Actual
	Plan	Plan	Actual
Notes	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	16,166	16,830	17,473
Targeted rates	5,904	6,166	6,670
Subsidies and grants for operating purposes	287	333	79
Fees and charges	1 6,324	4,421	8,945
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	479
Total sources of operating funding (A)	28,681	27,750	33,646
Applications of operating funding			
Payments to staff and suppliers	2 20,456	19,962	22,375
Finance costs	390	415	883
Internal charges and overheads applied	3,547	3,819	3,717
Other operating funding applications	537	542	525
Total applications of operating funding (B)	24,930	24,738	27,500
Surplus (deficit) of operating funding (A - B)	3,751	3,012	6,146
Sources of capital funding			
Subsidies and grants for capital expenditure	1,440	2,098	-
Development and financial contributions	1,375	1,947	957
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	8,481	7,978	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	11,296	12,023	957
Applications of capital funding			
Capital expenditure			
- to meet additional demand	7,279	9,571	12,801
- to improve the level of service	14,444	11,906	10,241
- to replace existing assets	2,077	3,200	2,482
Increase (decrease) in reserves	(8,753)	(9,642)	(18,421)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	15,047	15,035	7,103
Surplus (deficit) of capital funding (C - D)	(3,751)	(3,012)	(6,146)
Funding balance ((A - B) + (C - D))	-	-	-

Explanation of funding impact statement operating variances between LTP and Actual

1. Increase in revenue mainly due to the consolidation of the Waipā Communities Facilities Trust.
2. Increase in operating expenditure mainly due to the consolidation of the Waipā Communities Facilities Trust (\$2.1 million) and increase in storm damage costs of \$309,000.

6.4 TRANSPORTATION

What we do

The Transportation group is the primary service provider for the provision of the local transport network including roads, footpaths and cycleways, as well as road safety interventions and education.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We have financially sustainable decision making and work programmes*
- *We provide new infrastructure as an economic stimulus for our district*

Environmental champions

- *We support programmes that promote environmental sustainability*

- *We are responsive to climate change*

Cultural champions

- *We partner with tangata whenua*

Socially resilient

- *Waipa provides a high quality of life for current and future generations*

Identified effects on community wellbeing

The transportation group of activities provides the means for the transport of goods and people throughout the district and provides major social and economic benefits. It connects communities to many destinations such as work, shopping, leisure, education, and entertainment.

Road and footpath rehabilitation activities are an essential part of the on-going maintenance programme. However, in delivering these services there may be

disruption and nuisance caused to the public through road closures and dust generation. Although staff endeavour to minimise the negative impacts as much as possible and provide regular information about projects, parts of the community will always be inconvenienced in various ways.

Council continues to promote road safety initiatives and more sustainable forms of transport such as cycling.

Statement of service performance: Transportation

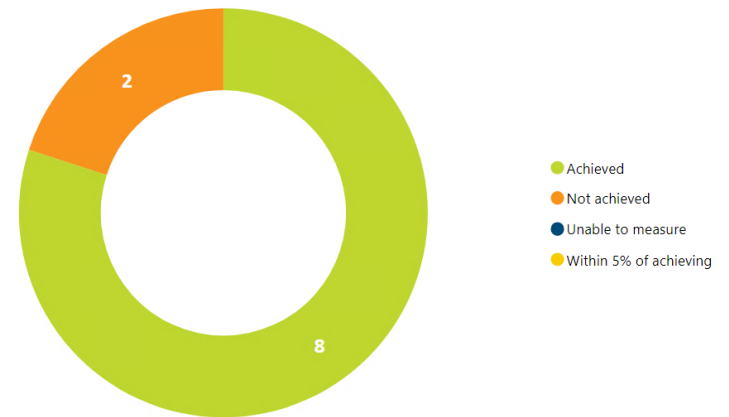
What to expect from us:

- Roads and road usage is managed to reduce the risk of harm to users.
- Provision of road and footpath networks which support usability and user comfort both now and in the future.
- We are responsive to roading issues raised by the community.
- Alternative transport options are available and user friendly.

Statement of service performance overview

This Group of Activity is responsible for 8.85 percent of Council’s performance measures.

Performance Measure Results



Capital expenditure table

	2021/22	2022/23	2022/23
	Long-term	Long-term	Actual
Notes	Plan	Plan	Actual
	\$000	\$000	\$000
To Meet Additional Demand			
Cambridge North Capital Projects	1,350	-	1
Cambridge Growth Cells (C1,C2 and C3) incls Land Purchase	1 31,150	6,880	13,347
Cambridge Growth Cells (C5 C6) Lamb Street	2 300	1,033	-
Hautapu Structure Plan and Cycleway	3 5,100	8,987	1,621
St Ledger and Kihikihi Road	300	-	146
Picquet Hill Plan Change Rooding	3,500	-	146
Frontier Road Plan Change	14	1,209	612
Urban Upgrades - Development Related	1,300	-	8
Hamilton Rd/Cambridge Rd Urbanisation	4 300	2,583	1,834
Ngahinapouri SH39 Intersection & N1/N2 Development	5 -	1,054	-
T9/T10 New Collector Road and Walkway	6 1,000	1,239	-
C4/C11 Cambridge Road Interstction & New Collector Road	-	-	76
Total Capital Expenditure to Meet Additional Demand	44,314	22,985	17,791
To Improve Level of Service			
Seal Extensions	-	-	116
New Footpaths	100	103	107
Car Park Improvements	-	-	-
Town Concept Plans Implementation	1,300	268	216
Passenger Transport Infrastructure	100	103	58
Street Light Improvements	150	155	28
Cycling Projects District Wide	7 4,310	1,550	994
Associated & Minor Improvements	1,355	1,431	496
Bridge Footpath Widening	-	-	1
Major Improvements	215	-	368
Total Capital Expenditure to Improve Level of Service	7,530	3,610	2,384
To Replace Existing Assets			
Footpath Renewals	375	387	293
Amenity Lighting Renewals	3	3	-
Car Park Renewals	55	57	24
Drainage Renewals	389	402	114
Sealed Road Resurfacing	4,030	4,163	4,179
Unsealed Road Metalling	60	62	25
Pavement Rehabilitation	1,800	1,859	1,746
Structures Component Renewal	410	103	387
Traffic Services Renewals	40	41	190
Guardrail Renewals	55	57	79
Bridge Renewals	8 -	2,737	1,898
Bus Shelter Renewals	10	-	-
Total Capital Expenditure to Replace Existing Assets	7,227	9,871	8,935
TOTAL CAPITAL EXPENDITURE	59,071	36,466	29,110

Explanation of significant capital variances between LTP and Actual

1. The spend on Cambridge Growth Cells (C1, C2 & C3) was \$6.5 million higher than budget due to development timing. These budgets were carried forward from the 2021/22 year.
2. The Cambridge Growth Cells (C5, C6) have been delayed due to development timing. These budgets have been deferred to the 2023/24 year.
3. Hautapu structure plan and cycleway spend was less than budget. This was deferred to the 2023/24 year.
4. There has been a reduction in expenditure for the Hamilton Road/Cambridge Road urbanisation roading project due to delays in construction. This project has been carried forward to the 2023/24 year.
5. Ngahinapouri SH39 intersection and N1/N2 development has been deferred to the 24-34 LTP due to development delays.
6. T9/T10 new collector road and walkway has been deferred to the 2023/24 year due to development timing.
7. There has been a decrease in cycling projects district wide of \$848,000 mainly due to the majority of the costs for Te Awa River Ride happening in the 2020/21 year.
8. Bridge renewals were less than budget due to timing delays in the painting of the Victoria bridge which have resulted in this being deferred to the 2023/24 year.

Internal borrowing statement

	Opening Balance 1 July 2022 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2023 \$000	Interest \$000
Activity Loans	14,675	(1,280)	842	14,237	283
Total	14,675	(1,280)	842	14,237	283

Explanation of funding impact statement operating variances between LTP and Actual

1. Increase in subsidies and grants of \$1.4 million mainly due to an increase in NZTA funding of \$305,000 for State Highway Detour and an increase in NZTA local share funding of \$1.1 million.
2. Increase in operating expenditure due to an increase in operating maintenance and storm damage.
3. Development and financial contributions were lower than budget due to delays in development.

Waipā District Council funding impact statement for year ended 30 June 2023 for Transportation

	2021/22 Long-term Plan \$000	2022/23 Long-term Plan \$000	2022/23 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	13,100	12,448	13,136
Targeted rates	269	272	333
Subsidies and grants for operating purposes	1 2,902	3,060	4,498
Fees and charges	1,469	1,336	1,125
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	10
Total sources of operating funding (A)	17,740	17,116	19,102
Applications of operating funding			
Payments to staff and suppliers	2 8,652	8,935	10,838
Finance costs	286	307	283
Internal charges and overheads applied	1,891	1,704	2,161
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,829	10,946	13,282
Surplus (deficit) of operating funding (A - B)	6,911	6,170	5,820
Sources of capital funding			
Subsidies and grants for capital expenditure	5,178	6,870	6,350
Development and financial contributions	3 5,045	6,990	2,375
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	10,223	13,860	8,725
Applications of capital funding			
Capital expenditure			
- to meet additional demand	44,314	22,985	17,791
- to improve the level of service	7,530	3,610	2,384
- to replace existing assets	7,227	9,871	8,935
Increase (decrease) in reserves	(41,937)	(16,436)	(14,565)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	17,134	20,030	14,545
Surplus (deficit) of capital funding (C - D)	(6,911)	(6,170)	(5,820)
Funding balance ((A - B) + (C - D))	-	-	-

6.5 STORMWATER

What we do

We are the primary service provider for managing stormwater in urban areas. Council maintains all public rural drains in Waipā.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We provide new infrastructure as an economic stimulus for our district*
- *Our services provide excellent value for money*

Environmental champions

- *We are responsive to climate change*

Cultural champions

- *We partner with tangata whenua*

Socially resilient

- *Waipā provides a high quality of life for current and future generations*

Identified effects on community wellbeing


Effective stormwater systems are important in managing the effects of high intensity rainfall in urban environments to avoid regular flooding. Some of our stormwater systems were designed in the 1950s and are insufficient to deal with the effects of the higher intensity rainfall events expected with climate change. Improvements to these systems are built into Council's Long Term Plans, a District Wide Stormwater Comprehensive Consent application was lodged in 2022.

Stormwater discharges from urban and industrial areas into rivers can also have potentially negative consequences for environmental wellbeing, for example from oil or diesel spills. However, the likelihood of these occurrences are managed by dedicated Trade Waste Officers that work with commercial and industrial entities on a regular basis to ensure there are mechanisms in place to minimise the likelihood of spills reaching the environment. Planning and monitoring is also underway to ensure Council maintains its current stormwater discharge consent.

Statement of service performance: Stormwater

What to expect from us:

- Provision of a safe and reliable stormwater system which minimises flooding and environmental impact.

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Statement of service performance overview

This Group of Activity is responsible for 7.08 percent of Council's performance measures.

Performance Measure Results



Capital expenditure table

		2021/22 Long-term Plan Notes \$000	2022/23 Long-term Plan \$000	2022/23 Actual \$000
To Meet Additional Demand				
Cambridge Growth Cells (C1,C2 and C3)	1	48,056	23,064	13,551
Hautapu Industrial Stormwater		6,907	-	99
Cambridge Deferred Residential Stormwater Works		-	-	558
Cambridge North Residential Stormwater Works		5,398	-	-
Bond Road Stormwater Culvert		-	-	213
Kihikihi Stormwater Works		234	671	13
Total Capital Expenditure to Meet Additional Demand		60,595	23,735	14,434
To Improve Level of Service				
Consent, Remedial and Flood Mitigation Work	2	528	1,584	69
Total Capital Expenditure to Improve Level of Service		528	1,584	69
To Replace Existing Assets				
Renewals		1,347	1,116	604
Total Capital Expenditure to Replace Existing Assets		1,347	1,116	604
TOTAL CAPITAL EXPENDITURE		62,470	26,435	15,107

Explanation of significant capital variances between LTP and Actual

1. The Cambridge Growth Cells (C1, C2 & C3) have been deferred due to developer timing delays, these have been deferred to the 2023/24 year.
2. Capital expenditure for consent, remedial and flood mitigation works was lower than budget due to the Finlay Detention Ponds/Houchens Pond project being deferred to the 2023/24 year.

Waipā District Council funding impact statement for year ended 30 June 2023 for Stormwater

	2021/22	2022/23	2022/23
	Long-term	Long-term	Actual
Notes	Plan	Plan	Actual
	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	319	371	344
Targeted rates	3,933	4,571	4,079
Subsidies and grants for operating purposes	-	-	-
Fees and charges	4	4	14
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total sources of operating funding (A)	4,256	4,946	4,437
Applications of operating funding			
Payments to staff and suppliers	1,748	1,814	1,893
Finance costs	7	9	-
Internal charges and overheads applied	560	634	982
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,315	2,457	2,875
Surplus (deficit) of operating funding (A - B)	1,941	2,489	1,562
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1 7,395	9,697	1,601
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	7,395	9,697	1,601
Applications of capital funding			
Capital expenditure			
- to meet additional demand	60,595	23,735	14,434
- to improve the level of service	528	1,584	69
- to replace existing assets	1,347	1,116	604
Increase (decrease) in reserves	(53,134)	(14,249)	(11,944)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	9,336	12,186	3,163
Surplus (deficit) of capital funding (C - D)	(1,941)	(2,489)	(1,562)
Funding balance ((A - B) + (C - D))	-	-	-

Explanation of funding impact statement operating variances between LTP and Actual

1. Development and financial contributions were lower than budget due to delays in development.

6.6 WASTEWATER TREATMENT AND DISPOSAL

What we do

We provide a safe, effective and reliable system for managing wastewater in urban areas to maintain public health and protect land and waterways from contamination.

The wastewater treatment and disposal activity includes the reticulation network for the collection of sewage and trade waste and its treatment and disposal.

Wastewater treatment and disposal is a core service of Council and is recognised by our Significance and Engagement Policy. The Infrastructure Strategy outlines the strategic intent of this activity and this is supported by the Activity Management Plan.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We provide new infrastructure as an economic stimulus for our district*
- *Our services provide excellent value for money*

Environmental champions

- *We are responsive to climate change*

Cultural champions

- *We partner with tangata whenua*

Socially resilient

- *Waipā provides a high quality of life for current and future generations*

Identified effects on community wellbeing

Wastewater treatment and disposal is a cornerstone of public health. Waipā District Council continue to work closely with Waikato Regional Council and Iwi partners to ensure best for river outcomes. An application for a long-term consent has been submitted to the Regional Council. Design is currently underway for an upgrade to the Cambridge Wastewater Plant to be completed by 2026.

Te Awamutu Wastewater Treatment Plant has also been generally compliant over the past 12 months. Plant upgrades have been completed, with phase 4 upgrades planned for future years of the LTP.

Statement of service performance: Wastewater Treatment and Disposal

What can you expect from us:

- Provision of a safe and reliable system for the treatment and disposal of wastewater which minimises public health risks and environmental impact.

Statement of service performance overview

This Group of Activity is responsible for 7.08 percent of Council’s performance measures.

Performance Measure Results



- Achieved
- Not achieved
- Unable to measure
- Within 5% of achieving

Capital expenditure table

		2021/22	2022/23	2022/23
		Long-term	Long-term	Actual
	Notes	Plan	term Plan	\$000
		\$000	\$000	\$000
To Meet Additional Demand				
Cambridge Growth Cells (C1,C2 and C3)	1	4,471	1,317	4,027
Hautapu Industrial Wastewater	2	1,692	1,123	2,963
Cambridge Wastewater Treatment Plant Upgrades	3	2,282	1,915	3,341
Te Awamutu Wastewater Treatment Plant Upgrade		-	218	34
District Wide Wastewater Pump Station Upgrades		410	52	-
District Wide Wastewater Pipe Upgrades	4	3,542	-	529
Te Awamutu Growth Provision (T8)	5	126	577	-
Total Capital Expenditure to Meet Additional Demand		12,523	5,202	10,894
To Improve Level of Service				
Waikeria Prison Expansion		-	-	191
Cambridge Wastewater Treatment Plant Upgrade Stage 1		-	-	-
Scada & Telemetry Upgrade		-	-	-
District Wide Modelling and Condition Assessment		36	37	(12)
Vogel & Alpha St Odour Control		-	-	(46)
Sub Regional WWTP		-	-	(725)
Total Capital Expenditure to Improve Level of Service		36	37	(592)
To Replace Existing Assets				
Renewals		-	-	-
Cambridge Pipe Bridge		-	-	-
Plant and Pumps		3,045	1,729	1,347
Total Capital Expenditure to Replace Existing Assets		3,045	1,729	1,347
TOTAL CAPITAL EXPENDITURE		15,604	6,968	11,649

Explanation of significant capital expenditure variances between LTP and Actual

1. The spend on Cambridge Growth Cells (C1, C2 & C3) was \$2.7 million higher than budget due to development timing. These budgets were carried over from the 2021/22 year.
2. The Hautapu Industrial Wastewater project spend was higher than budget due to the timing of development. This had been carried over from the 2021/22 year.
3. The spend on the Cambridge Wastewater Treatment plant upgrade was higher than budget due to of timing of the project. This had been carried over from the 2021/22 year.
4. The District Wide Wastewater pipe upgrades were carried over from the 2021/22 year due to development timing.
5. The Golf Road T8 Wastewater provision was deferred to the 2023/24 year.

Internal borrowing statement

	Opening Balance 1 July 2022 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2023 \$000	Interest \$000
Activity Loans	20,261	(2,108)	-	18,153	391
Total	20,261	(2,108)	-	18,153	391

Waipā District Council funding impact statement for year ended 30 June 2023 for Wastewater Treatment and Disposal

	2021/22 Long-term Plan Notes	2022/23 Long-term Plan	2022/23 Actual
	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	664	664	686
Targeted rates	10,049	11,788	11,743
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,300	1,347	1,266
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	14
Total sources of operating funding (A)	12,013	13,799	13,709
Applications of operating funding			
Payments to staff and suppliers	1 6,132	6,883	5,088
Finance costs	346	307	391
Internal charges and overheads applied	872	950	1,145
Other operating funding applications	-	-	-
Total applications of operating funding (B)	7,350	8,140	6,624
Surplus (deficit) of operating funding (A - B)	4,663	5,659	7,085
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	2 4,202	4,672	1,374
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	4,202	4,672	1,374
Applications of capital funding			
Capital expenditure			
- to meet additional demand	12,523	5,202	10,894
- to improve the level of service	36	37	(592)
- to replace existing assets	3,045	1,729	1,347
Increase (decrease) in reserves	(6,739)	3,363	(3,190)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	8,865	10,331	8,459
Surplus (deficit) of capital funding (C - D)	(4,663)	(5,659)	(7,085)
Funding balance ((A - B) + (C - D))	-	-	-

Explanation of funding impact statement operating variances between LTP and Actual

1. The reduced spend of \$1.8 million due to less than anticipated operating costs for the Cambridge treatment plant of \$1.4 million and savings in budget for District wide leak and condition investigation and District wide wastewater condition assessment and infiltration of \$350,000 due to external funding.
2. Development and financial contributions were lower than budget due to delays in development.

6.7 WATER TREATMENT AND SUPPLY

What we do

The water treatment and supply group of activities includes all the services involved in abstracting, treating, storing and distributing water to users through the reticulation network.

We provide reticulated water supplies to Cambridge, Te Awamutu, Kihikihi, Pirongia, Ōhaupō, Pukerimu and Karāpiro and operate seven water treatment plants. We are responsible for maintaining water supply assets worth \$232.6million including 607km of water pipes plus pump stations, reservoirs and treatment plants. Water infrastructure remains a significant challenge facing our district over the coming decade, particularly given our projected population growth.

Our water supply and treatment challenges are;

- Some of our water infrastructure is old and needs replacing.
- We have water pressure, taste and odour issues to resolve.

- Compliance with new resource consent conditions, including restrictions on how much water we can take from water sources.
- Compliance with new rules to protect the environment.
- Compliance with drinking water standards.

Council has developed a Three Waters Master Plan to inform the work programme for the water treatment and supply activity, along with stormwater and wastewater activities. The Master Plan operates in conjunction with the subregional three waters strategy, which was prepared by the Future Proof partnership to provide an overarching framework for the development and maintenance of the Three Waters network of the Waipā and Waikato districts and Hamilton city. Waipā is continuing to deliver the Smart Water demand management programme.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We have financially sustainable decision making and work programmes*
- *We provide new infrastructure as an economic stimulus for our district*
- *Our services provide excellent value for money*

Environmental champions

- *We are responsive to climate change*

Cultural champions

- *We partner with tangata whenua*

Socially resilient

- *Waipā provides a high quality of life for current and future generations*

Identified effects on community wellbeing

Growth within the district continues, and Council have completed significant scheduled infrastructure upgrades aimed at ensuring continuity of supply.

Demand is managed through universal water metering, and water education conservation strategies throughout the year, as well as imposing water alert restrictions across the district and sub-region in conjunction with partners Hamilton City Council.

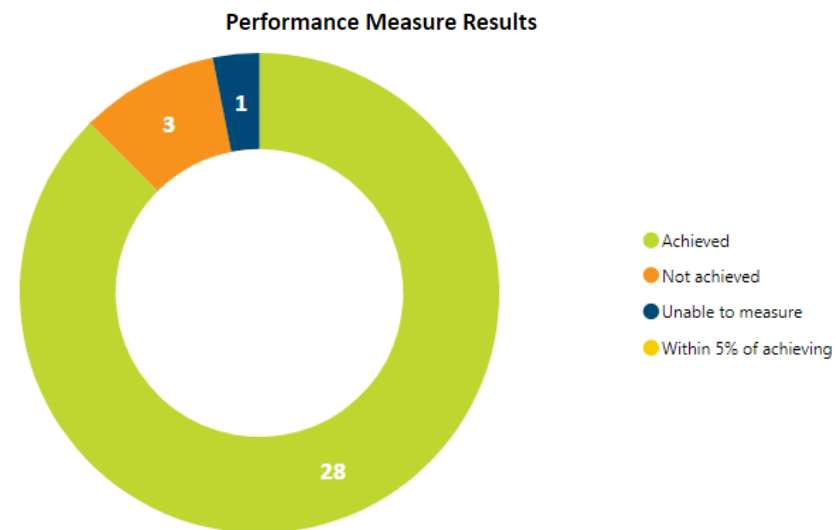
Statement of service performance: Water treatment and supply

What can you expect from us:

- Provision of potable water within specified areas via a safe and reliable treatment and supply system.
- Water supply and demand is managed to ensure prudent use of water.

Statement of service performance overview

This Group of Activity is responsible for 28.32 percent of Council's performance measures.



Capital expenditure table

	2021/22 Long-term Plan Notes \$000	2022/23 Long-term Plan \$000	2022/23 Actual \$000
To Meet Additional Demand			
Dedicated Main Leamington to Hautapu	225	-	-
Cambridge North to Hautapu Pipeline	1 744	1,657	364
Cambridge Growth Cells (C1,C2,C3,C4 and C7)	1,023	406	815
Dedicated Cambridge North Water Main	-	-	-
Te Awamutu Growth Cells	350	-	-
Pukerimu Water Supply	-	83	147
Water Supply Provision Cambridge (C6)	-	-	-
Cambridge Water Reticulation Active Control	-	-	-
Hautapu East Water Development (C10)	620	-	115
Alpha Street Water Treatment Plant Upgrade	40	-	99
Te Awamutu Internal CBD Rising Main	2 58	1,082	311
Total Capital Expenditure to Meet Additional Demand	3,060	3,228	1,851
To Improve Level of Service			
Te Awamutu Fire & Water LOS Service Upgrades	63	359	349
Cambridge Fire & Water LOS Service Upgrades	124	1,565	997
Parallel Rd Water Treatment Plant Upgrade	3 -	-	913
Parallel Rd to Taylors Hill Pipeline	-	-	3
District Wide Water Modelling	54	422	246
District Wide Zone Identification	86	248	-
Fairview Rd Water Main	58	500	-
Standby Generators for Treatment Plants	248	-	-
Parallel Rd Treated Water Storage	-	-	-
Scada & Telemetry Upgrade	-	-	-
Kihikihi Alternate Water Supply	-	-	-
Frontier Road to Taylors Hill Main Trunk	-	-	-
Raw Water Main Renewal & Inlet Pump Installation	-	-	-
Minor Equipment	-	-	117
Te Awamutu Active Reticulation Control	-	-	-
Total Capital Expenditure to Improve Level of Service	633	3,094	2,625
To Replace Existing Assets			
District Wide Water Main Renewals	2,272	3,613	3,752
Connection and Meter Renewals	336	349	619
Reservoir Renewals	4 451	532	1,407
Plant & Pumps	790	887	1,090
Total Capital Expenditure to Replace Existing Assets	3,849	5,381	6,868
TOTAL CAPITAL EXPENDITURE	7,542	11,703	11,344

Explanation of significant capital expenditure variances between LTP and Actual

1. The Cambridge North to Hautapu pipeline (C8) cell work has been delayed to align with developers and other planned works.
2. This budget has deferred to the 2023/24 year due to timing of construction.
3. This budget was carried over from the 2020/21 year due to development delays.
4. This budget was brought forward from 2021/22 due to the timing of construction.

Internal borrowing statement

	Opening Balance 1 July 2022 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2023 \$000	Interest \$000
Activity Loans	24,858	(661)	3,858	28,055	480
Total	24,858	(661)	3,858	28,055	480

Explanation of funding impact statement operating variances between LTP and Actual

1. A reduction in revenue for targeted rates is due to the Fonterra revenue being transferred from targeted rates to fees and charges.
2. Development and financial contributions were lower than budget due to delays in development.

Waipā District Council funding impact statement for year ended 30 June 2023 for Water Treatment and Supply

	2021/22 Long-term Plan notes	2022/23 Long-term Plan	2022/23 Actual
Sources of operating funding			
General rates, uniform annual general charges, rates penalties		530	584
Targeted rates	1	11,665	8,731
Subsidies and grants for operating purposes		-	104
Fees and charges	1	550	4,254
Internal charges and overheads recovered		-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-
Total sources of operating funding (A)		12,745	13,673
Applications of operating funding			
Payments to staff and suppliers		6,154	7,126
Finance costs		399	480
Internal charges and overheads applied		1,148	1,129
Other operating funding applications		5	-
Total applications of operating funding (B)		7,706	8,735
Surplus (deficit) of operating funding (A - B)		5,039	4,938
Sources of capital funding			
Subsidies and grants for capital expenditure		-	-
Development and financial contributions	2	2,978	1,323
Increase (decrease) in debt		-	-
Gross proceeds from sale of assets		-	-
Lump sum contributions		-	-
Other dedicated capital funding		-	-
Total sources of capital funding (C)		2,978	1,323
Applications of capital funding			
Capital expenditure			
- to meet additional demand		3,060	1,851
- to improve the level of service		633	2,625
- to replace existing assets		3,849	6,868
Increase (decrease) in reserves		475	(5,083)
Increase (decrease) of investments		-	-
Total applications of capital funding (D)		8,017	6,261
Surplus (deficit) of capital funding (C - D)		(5,039)	(4,938)
Funding balance ((A - B) + (C - D))		-	-

6.8 SUPPORT SERVICES

What we do

This group provides a range of specialist skills and services to support the organisation to efficiently deliver services

Support Services activities include performance measures for;

- Information Services
- Customer Support

Additionally, the Support Services group of activities is responsible for financial management, human resources, legal services, and business improvement and risk management functions which work closely with the other groups of activities to understand our business, community and statutory needs.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We have financially sustainable decision making and work programmes*
- *Our services provide excellent value for money*

Environmental champions

- *We support programmes that promote environmental sustainability*

Cultural champions

- *We have a high level of cultural awareness*
- *We respect the cultural diversity in our district*

Socially resilient

- *Waipa is a great place to live, work, play and invest*
- *Waipa provides a high quality of life for current and future generations*

Statement of service performance: Support Services

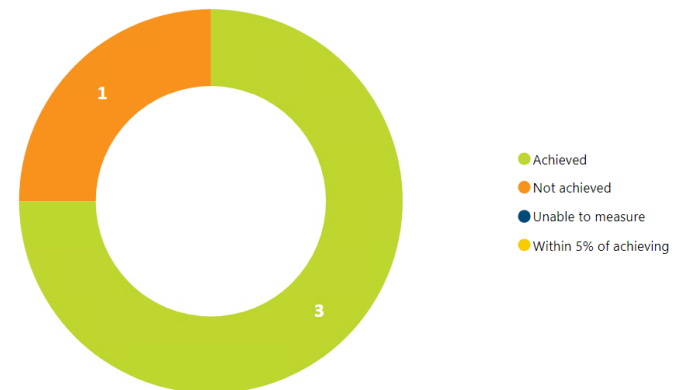
What to expect from us:

We provide a responsive customer support service to our community.

Statement of service performance overview

This Group of Activity is responsible for 3.5 percent of Council’s performance measures.

Performance Measure Results



Capital expenditure table

		2021/22 Long-term Plan Notes	2022/23 Long- term Plan \$000	2022/23 Actual \$000
To Improve Level of Service				
Buildings	1	374	1,016	297
Computer Hardware Upgrades		-	-	-
Computer Software Upgrades		1,462	969	1,074
Total to Improve Level of Service		1,836	1,985	1,371
To Replace Existing Assets				
Plant	2	1,321	1,888	726
Buildings		94	96	45
Carparks Renewals		-	-	-
Computer Hardware Renewals		70	77	53
Computer Software Renewals		20	-	-
Total to Replace Existing Assets		1,505	2,061	824
TOTAL CAPITAL EXPENDITURE		3,341	4,046	2,195

Explanation of significant capital expenditure variances between LTP and Actual

1. Capital expenditure for buildings was lower than budget due to seismic strengthening on 135 Roche Street deferred to the 2024-34 LTP.
2. Plant renewals are lower than the LTP budget due to timing delays.

Internal borrowing statement

	Opening Balance 1 July 2022 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2023 \$000	Interest \$000
Activity Loans	10,073	(2,691)	1,350	8,732	194
Development Contribution Loans	79,315	(788)	40,150	118,677	1,538
Total	89,388	(3,479)	41,500	127,409	1,732

Waipā District Council funding impact statement for year ended 30 June 2023 for support services

	2021/22	2022/23	2022/23
	Long-term	Long-term	Actual
	Plan	Plan	
Notes	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	362	355	353
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	384
Fees and charges	63	65	35
Internal charges and overheads recovered	15,139	15,661	16,506
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	469
Total sources of operating funding (A)	15,564	16,081	17,747
Applications of operating funding			
Payments to staff and suppliers	1 14,223	14,635	17,025
Finance costs	100	104	152
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	14,323	14,739	17,177
Surplus (deficit) of operating funding (A - B)	1,241	1,342	570
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	315	937	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	315	937	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,836	1,985	1,371
- to replace existing assets	1,505	2,061	824
Increase (decrease) in reserves	(1,785)	(1,767)	(1,625)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,556	2,279	570
Surplus (deficit) of capital funding (C - D)	(1,241)	(1,342)	(570)
Funding balance ((A - B) + (C - D))	-	-	-

Explanation of funding impact statement operating variances between LTP and Actual

1. This increase in expenditure of \$2.4 million is mainly due to an increase in expenditure for employee related expenses of \$947,000 due to vacant positions filled, an increase for SaaS Maintenance of \$686,000 which includes additional Microsoft licenses, an increase in insurance of \$222,000 for Public Liability and Personal Indemnity insurance and an increase in fuel costs of \$63,000.

6.9 DETAILED TRACKING AGAINST SERVICE PERFORMANCE MEASURES

This section provides the detailed results and variance explanations for our level of service performance measures.

Non-Financial Performance Summary

A review of all performance measures was carried out, with a range of new targets and measures being developed as part of the Long Term Plan (LTP) 2021-2031 to show the standard of performance expected over the next ten years and the means by which we intend to measure that performance. Data is sourced from Resident Surveying, external data and our Customer Request Management system to monitor progress against the targets set out in the LTP.

The Maungatautari water treatment plant is no longer active, therefore the performance measure ‘The extent to which the local authority’s drinking water supply complies with the drinking-water standards – Network Zones – Compliance’ for Maungatautari will no longer be reported against for that zone.

Resident Perception Survey Methodology

The results of the survey are based on a 10-point satisfaction scale. The survey is a quota sample, designed to cover the important variables within the population. In reporting the results, the ‘don’t know’ responses have been removed. At an

aggregate level the survey has an expected 95 percent confidence interval (margin of error) of +/-4.2 percent.

Key



Governance | Representation

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
The Community have access to timely and accurate information.	The percentage of official information requests responded to within statutory timeframes.	99.43%	100%	99.42%	Of 346 LGOIMA's total, 2 have not met target. One LGOIMA response was sent out in October with one day's delay - the request was declined under sections 7(2)(g) and 17(a) of the Local Government Official Information and Meetings Act 1987 Waipā District Council - legal privilege. The second LGOIMA response was completed in time, however there was a delay in delivery of the response which resulted in the request being 2 days over the 20-day timeframe.
	Percent of respondents to residents' perception survey ⁷ who are satisfied with Council "for being transparent and communicating openly."	21%	≥prior year's results	17%	The result is not considered significantly different by the research provider. A number of plans are currently being developed to further support communication and engagement with the community, including the development of an external communication strategy. The development of Ahu Ake, Waipā's Community Spatial Plan also includes new and unique ways of engaging with the community including the concept of a 'World Cafe'.
We provide opportunities for our communities to engage with Council and participate in decision-making processes.	Percentage of respondents to residents' perception survey ⁸ who are satisfied with the opportunities provided to them to participate in Council decision making processes.	13%	≥prior year's results	13%	Achieved.

Governance | Communications and Engagement

⁷ From Waipā District Council Annual Resident Perception Survey result. Satisfied are those percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate Council for being transparent and communicating openly?"

⁸ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percentage of individuals who scored Council an 8-10 on the ten point survey scale. Full working of question: "How satisfied are you with the opportunities provided to you to participate in Council making decision processes?"

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
We provide regular communication to the district enabling community sharing and engagement.	Average audience reach through traditional media ⁹ .	187,798	≥200,000 month	1,340,033 per month	Achieved. The significant increase throughout the 2022/23 year is due to Waipā being referenced by more than 64 media outlets nationwide, in comparison to less than 20 the year prior.
	Average impression rate ¹⁰ of Antenno posts	39%	50%	38%	The post and publishing approach for Antenno allows notifications to be read by the user without opening the Antenno app, which has likely affected the ability to meet this target. This measure is also potentially impacted by the repetitive nature of messaging, for example Recycling Collection Reminders which account for 85% of all outgoing posts throughout the 2022/23 year and in which the content does not change.
We showcase how we're building champion communities.	Overall percent of respondents to residents' perception survey who have pride in their district ¹¹ .	58%	≥75%	53%	The reduction from 58% in the prior year is not considered significantly different by the research provider. The majority of residents remain proud to live in the district with 53% of residents scoring the question a rating of 8-10.

Planning and Regulatory | Animal Control

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
Animal control is managed in a way that ensures support is provided to both animals	The percentage of urgent dog attack allegations acted	92%	≥95%	100%	Achieved.

⁹ Traditional Media includes Television, Radio, Print, and Websites

¹⁰ Impression rate is the number of unique devices that have displayed the posts published via Antenno

¹¹ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council an 8-10 on the ten point survey scale. Full working of question: "How proud do you feel to be able to say that you live in this district?".

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
and the community in a timely manner.	upon within one hour of Council being notified. ¹²				

Planning and Regulatory | Building Compliance

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
We ensure that buildings, including earthquake-prone buildings, are safe and fit for purpose.	Building consent applications are processed within statutory timeframes. ¹³	99.21%	100%	99.83%	A total of 1,814 Building Consents were granted within the 2022/23 year, of which 1,811 were granted within the statutory timeframes. Three consents exceeded the 20-day timeframe during August & September 2022 as a result of temporary software issues and human error. All software issues have since been resolved and training has been carried out with staff to prevent reoccurrence of errors.

¹² Urgent is defined as a dog attack on a human or other animal where the Council has been notified within 12 hours of the event. Acted upon is defined as a phone call or site visit.

¹³ The Building Act 2004 states the time limit is “within 20 working days after receipt by the building consent authority of the application”.

Planning and Regulatory | Development Engineering

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
We are responsive to enquiries and requests for information.	Enquiries are responded ¹⁴ to within 4 working days.	86.61%	≥95%	96.28%	Achieved.

Planning and Regulatory | Environmental Health

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
We ensure the public sale and supply of alcohol is undertaken safely and responsibly.	All premises that sell alcohol are licensed.	100%	100%	100%	Achieved.
Noise and smoke control is provided to the community in a timely manner.	The percentage of excessive noise complaints investigated within 1 hour.	87.25%	≥95%	91.33%	There was a total of 646 excessive noise complaints, of which 56 did not meet target. The annual result reflects poor response times at the start of the reporting period. A contract warning was issued, and monthly compliance improved significantly.
	The percentage of smoke complaints investigated within 1 hour.	84.85%	≥95%	100%	
Food premises maintain a high level of food safety.	All premises that sell food to the public are registered.	99.33%	100%	100%	Achieved.

¹⁴ Responded to is defined as contact with the requestor (could include phone call or visit).

Planning and Regulatory | Resource Consents, enforcement and land information memorandums

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
We process all applications within agreed timeframes.	The percentage of Resource Consents processed within statutory timeframes.	95.59%	100%	96.87%	There has been a total of 511 Resource Consent applications processed, 16 of which did not meet statutory timeframes. This is a result of complexities and specific issues with the applications.
	The percentage of LIMs processed within statutory timeframes.	100%	100%	100%	Achieved.
	The percentage of requests for general resource consent information and planning enquiries responded to within ten working days.	93.99%	100%	93.23%	There has been a total of 2,099 enquiries received, of which 142 were not responded to within ten working days. Staffing changes and high staff turnover resulted in delays in response due to the transition and training period required.
We ensure we investigate compliance with the District Plan when requested.	We respond ¹⁵ to requests to check compliance of the District Plan and land use consents within 4 working days.	100%	100%	100%	Achieved.
We complete the required safety inspections of swimming pools and associated barriers.	We will inspect 500 swimming pool fences per annum. ¹⁶	397	500	318	Miscommunication between staff attributed to the reduction in inspection numbers in the three months leading to year end. Processes surrounding the assignment and scheduling of inspections have been refined to ensure that sufficient work planning is carried out moving forward.

¹⁵ Responded to is defined as contact with the requestor (could include phone call or visit) or e-mail to the accused.

¹⁶ The Building Act 2004 states - All swimming pools in the District must be inspected every 3 years from 1 January 2017.

Community Services and Facilities | Parks and Reserves

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
Provision of an adequate network of multi-purpose open spaces which provide for passive and active recreation and sporting activities.	Percentage of residents who are satisfied with parks, reserves and open spaces ¹⁷ .	61%	≥previous year result	51%	There has been negative media regarding dogs being off leash at one park which may have impacted perceptions, subsequently Council has carried out a thorough consultation process to engage with the community surrounding this. There has been a delay in the implementation of some concept plans due to resourcing constraints which has been seen negatively by the community.
	Percentage of residents who have utilised parks, reserves and open spaces in the last year ¹⁸ .	84%	≥previous year result	83%	The reduction from the prior year is not considered significantly different by the research provider. Waipā has experienced poor weather conditions over the summer period which is likely to have impacted utilisation.
Provision of an adequate network of playgrounds which provide for safe and stimulating play.	Percentage of residents who are satisfied with playgrounds ¹⁹ .	53%	≥previous year result	48%	Council has a robust renewal plan in place and upgrades around the district have been carried out. There are some areas of the community which are indicating playgrounds are not adequately catered for.
	Percentage of residents who have utilised playgrounds in the last 12 months ²⁰ .	37%	≥previous year result	43%	Achieved.

¹⁷ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...Parks, reserves and open spaces?”

¹⁸ From Waipā District Council Annual Resident Perception Survey result. Full working of question: “Which of the following facilities have you visited or used within the last year...Parks, reserves and open spaces?”.

¹⁹ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...Playgrounds?”.

²⁰ From Waipā District Council Annual Resident Perception Survey result. Full working of question: “Which of the following facilities have you visited or used within the last year...Playgrounds?”

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
Provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors while minimising public health risks and environmental impact, in a way that is most cost effective.	Percentage of residents who are satisfied with public toilets ²¹ .	34%	≥previous year result	24%	Cleaning regimes were increased throughout the COVID-19 restrictions to reduce the likelihood of transmission which has now returned to prior levels, this increased customer expectations. Consultation is in progress to discuss potential changes to the frequency of cleaning for some sites and a renewal programme is in place to improve the aging condition of some facilities.
Provision of accessible cemeteries and interment services which meets the needs of the community.	Percentage of residents who are satisfied with cemeteries ²² .	44%	≥previous year result	37%	Concept plans have been recently confirmed, this has drawn attention to this area and highlighted the fact that Council is nearing capacity which may have drawn a negative perception.

²¹ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...Public toilets?”.

²² From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...Cemeteries?”.

Community Services and Facilities | Public Libraries

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment	
Provision of library facilities with sufficient resources and services which provide the necessary support for the communities' learning and leisure needs.	% of population who are active ²³ library users	63.24%	≥65%	64.83%	While this is an increase from last year, a clean-up of users who hadn't used the library in recent years was undertaken which has reduced the total users. The clean-up identified that often one card per family is used rather than individual cards which has an impact on reporting.	
	The number of walk-in library visitors per annum	Cambridge	No result ²⁴	103,000	50,681	Door counters were installed 21 st October; therefore, results do not reflect the full year. The door counter is a beam which reflects from one gate column to the other, if a group of patrons enter the library in close proximity of the beam it is unable to count each individual. Those attending library programme events are recorded separately.
		Te Awamutu	No result	100,000	50,254	
	Size of the Library collection compared to the LIANZA standard of 3 items per resident.	2.68	2.95 to 3.05	2.74	This target is not achievable as the capacity of Cambridge Library to house collection items has been reached, this means we cannot expand the collection to match the growing population.	
	Percentage of customers who are satisfied with libraries ²⁵ .	57%	≥75%	51%	The restricted capacity of the current Cambridge facility has gained some attention in media. Council is currently commencing a review into the feasibility of a new Cambridge offering. COVID-19 space restrictions caused some disruption to library programs at the beginning of the financial year.	
	Number of participants in library programmes.	8,655	≥previous year result	17,328	Achieved.	

²³ Active – library card used in past 2 years

²⁴ The door counters in both Te Awamutu and Cambridge libraries were not operational in 2021/22 therefore no result is available.

²⁵ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council an 8-10 on the ten-point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities...The district's libraries?".

Community Services and Facilities | Property Services

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
Council is responsive to community land and building-related service requests.	The median response time (hours) for an urgent ²⁶ service request relating to land and buildings to be actioned.	0 hours	2 hours	Unable to measure	Council cannot report on these measures this year. This is due to staff turnover in the Property Team leading to limitations and errors in data entry which are unable to be rectified. Council is confident it can report on these measures in future years. Council is also confident that urgent requests over the year were dealt with in a timely manner.
	The median response time (days) for a non-urgent ²⁷ service request relating to land and buildings to be actioned.	0.98 days	2 days	Unable to measure	
Council is responsive to service requests relating to housing for the elderly.	The median response time (hours) for an urgent ²⁸ service request relating to housing for the elderly to be actioned.	1.15 hours	2 hours	Unable to measure	
	The median response time (days) for a non-urgent ²⁹ service request relating to housing for the elderly to be actioned.	0.76 days	2 days	Unable to measure	

²⁶ Urgent service requests defined as a health & safety or public safety issue.

²⁷ Non-urgent service requests defined as any other service request other than a health & safety or public safety issue.

²⁸ Urgent service requests defined as a health & safety or public safety issue.

²⁹ Non-urgent service requests defined as any other service request other than a health & safety or public safety issue.

Community Services and Facilities | Heritage

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment	
The district's community and visitors are provided with appropriate opportunities to experience the district's heritage through interpretation, education and conservation delivered directly by Council and through partnerships.	The percentage of visitors surveyed who were satisfied with their Heritage Facility visit. ³⁰	100%	95%	96.3%	Achieved.	
	Number of annual visitors to key Heritage sites.	Te Awamutu Museum ³¹	3,245	≥5,000	2,920	Visitor numbers were tracking well toward target prior to the closure of the Te Awamutu Annex and Museum in October 2022 due to health & safety reasons. The closure left the target unobtainable.
		Pirongia Visitor Centre	1,983	≥2,250	2,580	Achieved.
		Cambridge Museum	2,664	≥4,500	4,847	Achieved.
		Lake Ngā Roto	51,323	≥previous year result	38,559	Lake Ngā Roto was closed to public between March & late July due to flooding. Repairs were delayed due to the extremely high lake levels, eventually being completed in August. More heavy rainfall in October left the western part of the track soggy underfoot and submerged in areas. On January 25th Waipā District Council warned people to be cautious after cyanobacterial bloom was found in Lake Ngā Roto and advised water-based activities should not be undertaken. Te Whatu Ora Waikato issued a public health warning on 23rd January

³⁰ As identified through the Museum's survey questionnaire.

³¹ Excludes school students visiting the museum as part of the LEOTC programme

						23 which remained in place until 29th March after subsequent tests showed that cyanobacterial levels were once again below the warning level.
	Usage of Te Ara Wai Journeys website ³² .	9,642	≥previous year result	10,842		Achieved.
	The number of school students experiencing Heritage based through the LEOTC ³³ programme.	709	4,400	1,776		The closure of the Te Awamutu Annex and Museum in October 2022 due to health & safety reasons. The closure left the target unobtainable. Some LEOTC sessions were able to be carried out offsite in the second half of the 2022/23 year.

Community Services and Facilities | Public Swimming Pools

What you can expect from us	How we measure success		Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
Safe and pleasant aquatic facilities are provided which offer a variety of casual and programmed activities which cater for the needs of the community.	The percentage of users satisfied with swimming pool services (via survey mechanism).	Te Awamutu	77%	≥80%	77%	The Te Awamutu pool was operating for a period at a lower temperature due to unexpected asset failure, this issue has since been rectified.
		Cambridge	79%	≥80%	77%	There is a perception amongst some of the community that the cost of entry is too high and the hours are too restrictive, therefore they see the facility as not being accessible to all.
		Te Awamutu	92,239	115,000	130,659	Achieved.

³² Number of individual Te Ara Wai Journeys website sessions.

³³ Learning Experience Outside the Classroom.

	The number of admissions per annum. ³⁴	Cambridge	95,171	125,000	147,625	Achieved.
	The percentage of compliance with water quality standards. (no. of tests compliant).	Te Awamutu	93.50%	≥85%	92.48%	Achieved.
		Cambridge	94.32%	≥85%	96.54%	Achieved.

Community Services and Facilities | Waste Management and Minimisation

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
Provision of an effective waste minimisation education programme.	Number of face-to-face participants in the waste minimisation programme.	1,557	≥previous year result	3,545	Achieved.
Provision of a convenient kerbside recycling service.	Annual average quantity (kg) of recycled material per household. ³⁵	146.20	170 - 180	125.64	Overall volumes for the 2022/23 year have been impacted by excessive contamination, as a result high volumes on materials have had to be disposed of in landfill. Bin auditing has been instituted to address the contamination issues. A bin auditor position also commenced to reduce contamination.
	Number of residents satisfied with the kerbside recycling service. ³⁶	60%	≥previous year result	35%	Truck driver shortages and high levels of contamination have continued to impact the reliability of kerb side collections over the year and hence the public perception of the service. In the last quarter driver positions were fully staffed and Council acquired an

³⁴ Results previously provided as a combined total, now split by site.

³⁵ Household defined as: a property rated for recycling.

³⁶ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale.

					additional staff member to improve performance monitoring and customer feedback.
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Community Services and Facilities | Emergency Management

What you can expect from us	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
We remain suitably capable to provide a high level ³⁷ response in the event of a Civil Defence Emergency.	Percentage scored in an emergency response annual evaluation exercise ³⁸ .	74%	≥previous year result	66%	The score for the 2022/23 annual assessment is 66%, while a drop from the prior year’s result of 74% this retains the overall result of Advancing (61% - 81%). It was acknowledged that this was the first time the Western Waikato had activated an EOC in an emergency setting. This was evident in this assessment compared to the exercise assessment last year, the assessment of an activation compared to an exercise is not the same due to the quick and evolving nature of the emergency.

Transportation

The service we provide	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
Roads and road usage is managed to reduce the risk of harm to users.	Number of annual crashes resulting in fatal and serious injuries on Waipa local roads (five-year average).	21.00	<prior year result	25.4	There is a small increase in the 5-year average fatal and serious crash number. While there may be ups and downs in individual years there is an increasing trend over the last 10 years, this is not unexpected as growth in population and traffic on roads increases exposure to crash risk.

³⁷ High level is considered to be Advancing or Mature score. Scores are based on the CDEM Capability Scoring Guide & Capability level.

³⁸ Council will be assessed on the capability shown during the exercise and scored a percentage based on the CDEM Capability Scoring Guide & Capability level: Unsatisfactory = 0-20%, Early Developing = 21-40%, Late Developing = 41-60%, Advancing = 61-80%, Mature = 81-100%.

The service we provide	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. [M]	11 less ³⁹	<prior year result	4 more	Throughout 2020 to 2021 there were two high years of fatal and serious crashes (30 and 32 respectively), followed by unusually low numbers in 2022 (20 crashes). The result of 4 more is reflective of a return to an average rate in comparison to the unusually low prior result. Council intention is to work towards minimising serious and fatal crashes through the delivery of appropriate physical road safety improvements, speed limit changes, and road safety education
Provision of road and footpath networks which support usability and user comfort both now and in the future.	The percentage of the sealed local road network that is resurfaced. ⁴⁰ [M]	94.13%	75% - 120%	78.75%	Achieved.
	The percentage of footpaths whose condition meets the desired minimum standard for condition. ⁴¹ [M]	95.63%	≥95%	98.78%	Achieved.
	Length (km) of network which remains unsealed.	13.44%	<prior year result	3.50%	Achieved.
	The percentage of vehicle kilometres travelled on smooth sealed local roads. ⁴² [M]	93%	≥87%	93%	Achieved.

³⁹ This result has been updated from that reported in the 2021/22 Annual Report. The change in result is due to a lag in the data and the update reflects the best available information.

⁴⁰ As compared to the average annual target set in the Asset Management Plan (82.6 centre line km per year).

⁴¹ Full wording of mandatory measure is: The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan). For Council this is based on a five point scale (excellent, good, average, poor and very poor) the percentage will be the length of footpath recorded as average, good or excellent condition grade.

⁴² Full wording of mandatory measure is: The average quality of ride on a sealed local road network, measured by smooth travel exposure. Note the road roughness and traffic count surveys were last completed in the 2022/23 financial year and includes updates on arterial and collector roads. Those results are used to determine the 30th June 2023 result.

The service we provide	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment	
We are responsive to roading issues raised by the community.	The % of customer service requests relating to roads & footpaths within the time frame specified in the Long Term Plan. ⁴³ [M]	92.64%	≥90%	92.62%	Achieved.	
Alternative transport options are available and user friendly.	Usage of the ratepayer funded passenger transport services	Bus ⁴⁴	109,561	>prior year result	172,685	Achieved.
		Total Mobility	2,751	>prior year result	3,291	Achieved.
	Length of dedicated cycling facilities within the road corridor ⁴⁵	35.78 km	>prior year result	40km	Achieved.	

Stormwater

The service we provide	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
Provision of a safe and reliable stormwater system	The number of complaints received about the performance of the stormwater system. ⁴⁶ [M]	3.89	≤10	5.35	Achieved.

⁴³ Full wording of mandatory measure is: The percentage of customer service requests relating to roads & footpaths to which the territorial authority responds within the time frame specified in the long term plan – 10 working days.

⁴⁴ Te Awamutu and Cambridge services to Hamilton

⁴⁵ Defined as cycleways which are within the road corridor, but which are separate to the actual road, this includes cycleways which are designed to be shared by pedestrians and mobility device users.

⁴⁶ Full wording of mandatory measure is: The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.

The service we provide	How we measure success		Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
which minimises flooding and environmental impact.	Compliance with the resource consents for discharge from the stormwater system. ⁴⁷	Number of Abatement notices [M]	1	0	0	Achieved.
		Number of Infringement notices [M]	0	0	0	Achieved.
		Number of Enforcement orders [M]	0	0	0	Achieved.
		Number of Convictions [M]	0	0	0	Achieved.
	The number of flooding events in the district. ⁴⁸ [M]		0	≤5	0	Achieved.
	For each flooding event, the number of habitable floors affected. ⁴⁹ [M]		0	≤0.09	0	Achieved.
	The median response time (hours) to attend a flooding event from the time that notification is received. ⁵⁰ [M]		No flooding events	2 hours	No flooding events	Achieved.

⁴⁷ Full wording of mandatory measure is: Compliance with the territorial authority’s resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices; and (b) infringement notices; and (c) enforcement orders; (d) successful prosecutions, received by the territorial authority in relation to those resource consents.

⁴⁸ Full wording of mandatory measure is: The number of flooding events that occur in a territorial authority district.

⁴⁹ Full wording of mandatory measure is: For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the territorial authority’s stormwater system).

⁵⁰ Full wording of mandatory measure is: The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

Wastewater Treatment and Disposal

The service we provide	How we measure success		Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
Provision of a safe and reliable system for the treatment and disposal of wastewater which minimises public health risks and environmental impact.	The number of dry weather sewerage overflows. ⁵⁰ [M]		0.11	≤1	0.05	Achieved.
	Compliance with consents for discharge from the sewerage system. ⁵¹	Number of Abatement notices. [M]	0	0	0	Achieved.
		Number of Infringement notices. [M]	0	0	0	Achieved.
		Number of Enforcement orders. [M]	0	0	0	Achieved.
		Number of Convictions. [M]	0	0	0	Achieved.
	The median response time for call-outs in response to a sewerage overflow. ⁵²	The time (hours) from notification for service personnel to reach the site. [M]	0.60 hours	2 hours	0.58 hours	Achieved.
		The time (hours) from notification that resolution of a	1.60 hours	6 hours	2.89 hours	Achieved.

⁵⁰ Full wording of mandatory measure is: The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system.

⁵¹ Full wording of mandatory measure is: Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices, (b) infringement notices, (c) enforcement orders, (d) convictions received by the territorial authority in relation to those resource consents.

⁵² Full wording of mandatory measure is: Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, (b) Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.

The service we provide	How we measure success		Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
		blockage or other fault. [M]				
	The number of complaints received about any of the following: odour, system faults, blockages, and the response to any of these issues. ⁵³ [M]		2.92	<10	3.03	Achieved.

Water Treatment and Supply

The service we provide	How we measure success			Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
Provision of potable water within specified areas via a safe and reliable treatment and supply system.	The extent to which the local authority's drinking water supply complies with the drinking-water	Water Treatment Plants – compliance with bacteriological criteria [M]	Alpha Street	C	C	C	Achieved.
			Frontier Road	C	C	C	Achieved.
			Karāpiro	C	C	C	Achieved.
			Parallel Road	C	C	C	Achieved.
			Rolleston Street	C	C	C	Achieved.
			Te Tahi	C	C	C	Achieved.
		Water Treatment Plants –	Alpha Street	C	C	C	Achieved.
			Frontier Road	C	C	C	Achieved.

⁵³ Full wording of mandatory measure is: The total number of complaints received by the territorial authority about any of the following (expressed per 1000 connections to the territorial authority's sewerage system): Sewerage odour, sewerage system faults, sewerage system blockages, territorial authority's response to issues with its sewerage system.

The service we provide	How we measure success			Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
	standards. 54, 55.	compliance with protozoal criteria [M]	Karāpiro	NC	C	C	Achieved.
			Parallel Road (Membrane Plant)	NC	C	C	Achieved.
			Rolleston Street	C	C	C	Achieved.
			Te Tahi	C	C	C	Achieved.
	Network zones – compliance [M]	Cambridge	C	C	C	Achieved.	
		Kihikihi	C	C	C	Achieved.	
		Maungatautari	Not Applicable	C	Not Applicable	No longer active.	
		Ōhaupō	NC	C	C	Achieved.	
		Pirongia	C	C	NC	A sampling error resulted in a non-compliant status for Pirongia Reticulation Zone for the month of April 2023. There was no risk to public health as a result of this error.	
		Pukerimu Rural	NC	C	C	Achieved.	

⁵⁴ Full wording of mandatory measure is: The extent to which the local authority’s drinking water supply complies with: (a) part 4 of the drinking water standards (bacteria compliance criteria); and (b) part 5 of the drinking water standards (protozoal compliance criteria).

⁵⁵ The Drinking Water Standards 2005 (revised 2018) were the operable regulatory rules for drinking water suppliers up until 15 November 2022. At that point, the new Drinking Water Standards 2022, Drinking Water Quality Assurance Rules 2022, and Drinking Water Aesthetic Values 2022 became operable under the new regulatory body, Taumata Arowai. The treatment plants and schemes within Waipā are deemed large supplies and subject to level 3 Bacterial, Protozoal and Distribution Zone reporting – therefore no change to the current reporting criteria has occurred between the change in regulatory rules. It is noted that across both the Drinking Water Standards 2005 (revised 2018) and the Drinking Water Quality Assurance Rules 2022, Council has maintained all schemes as compliant, the result above is reflective of continuous compliance throughout the financial year.

The service we provide	How we measure success		Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
		Te Awamutu	C	C	C	Achieved.
Provision of wholesome potable water within specified areas via a safe and reliable treatment and supply system	Median response time for call-outs in response to a fault or unplanned interruption to the network. ⁵⁶	Attendance for urgent call-out from the time of notification. (hours) ⁵⁷ [M]	0.57 hours	2 hours	0.26 hours	Achieved.
		Resolution of urgent call-outs from the time of notification (hours). ⁵⁸ [M]	1.82 hours	6 hours	1.14 hours	Achieved.
		Attendance for non-urgent call-outs from the time of notification (days) ⁵⁹ [M]	0.72 days	2 days	0.70 days	Achieved.
		Resolution of non-urgent	0.77 days	10 days	0.80 days	Achieved.

⁵⁶ Full wording of measure is: Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response time measured.

⁵⁷ Full wording of mandatory measure is: Attendance for urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

⁵⁸ Full wording of mandatory measure is: Resolution of urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

⁵⁹ Full wording of mandatory measure is: Attendance for non-urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

The service we provide	How we measure success		Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
		call-outs from the time of notification (days) ⁶⁰ [M]				
	The total number of complaints received about any of the following: Drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the response to any of these issues. ⁶¹ [M]		11.47	<15	10.78	Achieved.
Water supply and demand is managed to ensure prudent use of water.	The percentage of real water loss from the networked reticulation system. ^{62 63} [M]	Cambridge & Karāpiro.	5%	<12%	6%	Achieved.
		Te Awamutu & Pirongia.	9%	<12%	14%	Te Awamutu & Pirongia and Kihikihi did not meet their respective targets. This can be attributed to multiple factors, including increased water loss due to pipe renewals and water theft. Te Awamutu/Pirongia and Kihikihi will be reviewed as part of Council's leak detection programme.
		Kihikihi	23%	<20%	24%	
		Ohaupo & Pukerimu	10%	<20%	19%	Achieved.

⁶⁰ Full wording of mandatory measure is: Resolution of non-urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

⁶¹ Full wording of the measure is: The total number of complaints received by the local authority about any of the following (expressed per 1000 connections to the local authority's networked reticulation system): Drinking water clarity, drinking water quality, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, the local authority's response to any of these issues.

⁶² Full wording of the mandatory measure is: The percentage of real water loss from the local authority's networked reticulation system.

⁶³ Water loss calculations determine any 'unknown' water usage, this includes any illegal hydrant takes/theft, or any leakage.

The service we provide	How we measure success		Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
	The average consumption of drinking water per day per resident. ⁶⁴ [M]	Cambridge & Karāpiro	199	190	175	Achieved.
		Te Awamutu & Pirongia	187	190	175	Achieved.
		Kihikihi	185	190	168	Achieved.
		Ohaupo & Pukerimu	190	190	171	Achieved.

Support Services | Information services

The service we provide	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
The online services Council provides are reliable.	The Council website and online forms have an availability uptime of 99% ⁶⁵ .	99.95%	≥99%	100%	Achieved.

⁶⁴ Full wording of the mandatory measure is: The average consumption of drinking water per day per resident within the territorial authority district.

⁶⁵ www.Waipadc.govt.nz and eservices.Waipadc.govt.nz sites only.

Support Services | Customer Support

The service we provide	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
The community has enquiries completed at first resolution provided by Customer Support.	Percentage of query calls received by Customer Support resolved at the time.	90.20%	≥80%	92.02%	Achieved.
	Percentage of walk-in queries received by Customer Support resolved at the time.	94.66%	≥90%	98.22%	Achieved.
The community has a positive experience when contacting Council.	Percentage of respondents to residents' perception survey who are satisfied with how their enquiry or complaint has been handled ⁶⁶ .	45%	≥previous year result	36%	The results may have been influenced by a number of factors over the year such as the decline in recycling service levels and the impacts of weather events. Council is currently developing a number of initiatives to support improvements in how customers interact with Council including improvements to Council's digital services over time.

⁶⁶ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "Overall, how satisfied are you with how your complaint or query was handled?"

6.10 SERVICE PERFORMANCE JUDGEMENTS AND ASSUMPTIONS

In the preparation of the Statement of Service Performance, Waipā District Council has made the following judgements in the selection of our performance measures:

- We have reflected on the extent to which the levels of service we plan to provide to the community were best captured by performance measures.
- Considerations have been given to the views expressed by our residents and ratepayers. This includes feedback relevant to the levels of service and performance measures received throughout the LTP consultation process.
- We have ensured that the performance measures adequately inform progress towards delivering the outcomes in our LTP.

Under the Local Government Act 2002 we are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: Governance, Planning and Regulatory, Community Services and Facilities, Transportation, Stormwater, Wastewater Treatment and Disposal, Water Treatment and

Material judgements have been applied as follows:

Survey

To measure the quality of our outputs we also use a resident perception survey throughout the year, which enables a comparison across Council of the impacts on residents' satisfaction with council services, leadership, financial management and value for money.

The survey is designed and supplied by external research experts Key Research, based on best practice in survey design. The survey has been designed to measure changes in perceptions over time. For example, questions are written so they are clearly understood by participants and neutral in tone; and response options are designed so they are balanced, do not lead participants to respond in a certain way and cover all possible

Supply and Support Services. We are also required to demonstrate regulatory compliance for statutory measures, such as percentage of both Building Consent and Resource Consent applications processed within 20 statutory days.

Further to the above judgements being made in the selection of performance measures, we also apply judgements in the measurement, aggregation, and presentation of service performance information. To determine the number of performance measures to monitor and report on we have considered the information needs of our communities, the costs and benefit of these, practical feasibility, and the requirement to provide performance information across the full breadth of services that the council provides.

As part of setting funding levels, the group has considered the impact on services and their related performance measures. The targets for performance measures have been set considering current levels of services and any changes that may occur in levels of service over the duration of the ten years depending on funding levels.

responses a participant may wish to provide. In addition, the questionnaire is regularly reviewed to ensure best practice and fit for purpose

The survey is conducted via mixed method of data collection consisting of a postal invitation to an online survey, with a hard copy survey back up. Sample selection is based on a random selection from the Electoral roll since this conforms most closely with the ideal of each member within the population having an equal probability of selection, thereby minimising the opportunity of bias.

At an aggregate level, the survey has an expected 95% confidence interval (margin of error) of +/-4.2%. Statistical significance testing uses a 95% confidence interval.

External implications for statements about performance

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside the control of the group. Examples of this are, but not limited to, changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions

and international policy that may impact areas such as recruitment, availability of material and supplies (for example, materials required for critical infrastructure), volatility in international financial markets and other unforeseen considerations.

PART 7 - TĀ MĀTOU HAUTŪTANGA, Ō TĀTOU TĀNGATA / OUR LEADERSHIP AND PEOPLE

In this section

This section describes the Council's democratic and corporate governance arrangements and presents information relating to our elected members, committees, groups and business units, organisational structure and staff.

7.1 TE KAUNIHERA O WAIPĀ / OUR COUNCIL

Te Kaunihera o Waipā | Waipa District Council is made up of the Mayor and 11 Councillors, one of whom serves as Deputy Mayor.

Along with all local authorities in New Zealand, the Council is elected every three years. The

Mayor is elected ‘at large’, meaning by all the district’s residents who are eligible to vote. The Councillors are elected by voters from their respective geographical areas (wards). The Deputy Mayor is appointed by the Mayor.

The 2022 local government elections were held on 8 October 2022 and included the introduction of a Māori Ward, a first for Waipa.

7.2 HOW DECISIONS ARE MADE

[Note that this and following sections of the document reflects the governance structure and appointees in place during the 2022/23 financial year]

Strategic Planning & Policy Committee

Full Council and an Te Kanohi member (to be appointed)

Chair: Deputy Mayor Stolwyk
Deputy Chair: Councillor Montgomerie

Purpose: To oversee the development and implementation of liveable spaces in our communities, with a focus on the promotion of the social, economic, environmental and cultural well-being of communities. To oversee the development and implementation of Council’s plans (including long term, annual plans and district plan), bylaws, strategies and policies and where appropriate, with the

exception of the district plan, to act as Council’s hearings committee for consultation submissions in relation to these. To oversee the development and monitoring of strategy and policy associated with climate change activity and affordable and/or social housing initiatives.

Finance & Corporate Committee

Full Council and an Te Kanohi member (to be appointed)

Chair: Councillor A Brown.
Deputy Chair: Councillor Thomas

Purpose: To undertake Council’s corporate and governance functions specifically in relation to financial and non-financial reporting, financial and treasury policies and arrangements, insurance arrangements, property

management and Council Controlled Organisations.

Service Delivery Committee

Full Council and an Te Kanohi member (to be appointed)

Chair: Councillor St Pierre
Deputy Chair: Councillor Pettit

Purpose: To have responsibility for overseeing Council’s infrastructure work programme, asset management planning and levels of service in relation to the service delivery areas of Transportation and Waste Minimisation and Management, Road Asset Technical Accord, Water Services and Community Services, including the consideration of regional integration of services.

Regulatory Committee

Councillor Gower, Councillor St Pierre, Deputy Mayor Stolwyk, Councillor L Brown, Councillor Gordon and a Te Kanohi member (to be appointed)

Chair: Councillor Gower.
Deputy Chair: Councillor St Pierre

Purpose: To manage the regulatory aspects of Council’s business, in particular in relation to the Resource Management Act 1991, and to oversee Council’s emergency management functions.

Audit & Risk Committee

Mayor O’Regan, Councillor A Brown, Councillor Gordon, Councillor Montgomerie, Councillor L Brown (appointed 28 February 2023) and independent chairperson Bruce Robertson.

Independent Chair: Bruce Robertson.

Purpose: To provide independent assurance and assistance to the Waipā District Council on Council’s risk, control and compliance framework, and its external accountability responsibilities.

Te Ara Wai Governance Committee (appointed 13 December 2022)

Mayor O’Regan, Councillor A Brown, Councillor Stirling (subsequently resigned), Deputy Mayor Stolwyk, Lee-Ann Muntz, Paraone Gloyne, Puawai Cairns (resigned 20 January 2023) and Glenda Taituha.

Chair: Councillor A Brown

Purpose: To provide a governance and strategic overview for the establishment of Te Ara Wai.

District Licensing Committee

Ross Murphy, Patsi Davies, Michael Cameron, Roy Johnstone, John Gower, Councillor Gower.

Commissioner (Chair): Sara Grayson
Commissioner; Alternate Commissioner – Tegan McIntyre.
Deputy Chairperson: Councillor Gower.

Purpose: To consider and determine applications for licences, managers certificates, renewal of licences and managers certificates, temporary authorities and other matters pursuant to section 187 of the Sale and Supply of Alcohol Act 2012.

Pirongia Ward Committee

Councillor Thomas, Councillor St Pierre, and the Chairperson or their nominee of the Pirongia Community Association, Te Pahu Residents’ and Ratepayers Association, Purekireki Marae, Koromatua Community, Ohaupo Community, Ngahinapouri Community and a representative from Te Whakakitenga o Waikato.

Chair: Councillor St Pierre.

Purpose: To allocate funds, to consider the draft annual plan and to perform similar representative functions as the community boards, and to manage the three reserves known as Franklin Street, Rangimarie and Te Ngahere reserves.

Chief Executive Performance Management Committee

Mayor O’Regan, Deputy Mayor Stolwyk, Councillor St Pierre, Councillor A Brown, Councillor Montgomerie.

Chair: Mayor O’Regan.

Purpose: To conduct the reviews of the performance of Council’s Chief Executive and make recommendations to Council.

Maungatautari Reserve Committee

Councillor Montgomerie, Councillor Gordon, Councillor Coles, Councillor Stirling (Resigned), one representative from Pohara Marae, one representative from Maungatautari Marae, one representative from Ngāti Haua, Geoff Canham (consultant), one representative from the Maungatautari Ecological Island Trust, one representative from the Department of Conservation and one representative from the Waikato Regional Council, [Landowners to be appointed once available].

Chair: Councillor Montgomerie.

Purpose: To facilitate Council's role in relation to the administration and management, including co-governance and management of the Maungatautari Reserve in accordance with the requirements of the Reserves Act 1977,

reserve management issues as they relate to the reserve and to the ecological island project, and to oversee the services of MEIT for day-to day management of the enclosures and to oversee the Reserve Management Plan for the reserve.

District Promotions Sub-Committee

Councillor Gower, Deputy Mayor Stolwyk, Councillor St Pierre, Councillor Gordon, Merv Gyde, Kevin Burgess
Chair: Councillor Gower.

Purpose: Make allocation decisions in respect of Council's District Promotions Fund and Community Event Fund.

Housing Sub-Committee

Mayor O'Regan, Councillor Gordon, Councillor St Pierre, Councillor A Brown, Deputy Mayor Stolwyk

Chair: Deputy Mayor Stolwyk

Purpose: To advise the Strategic Planning & Policy Committee in regard to any matters associated with the Council's provision of 'Housing for the Elderly' and/or any 'Affordable and Social Housing' initiatives in Waipā district.

7.3 OPPORTUNITIES FOR COMMUNITY INVOLVEMENT IN DECISION MAKING

The community had their say

During the 2022/23 year, we ran 15 engagement processes:

- Ahu Ake – Waipā Community Spatial Plan
- Application to government’s Better off Fund
- Leamington Domain Masterplan
- Cambridge pathway development
- Te Ara Rimu - Kihikihi pathway development
- Dog Control Bylaw and Policy Review
- Draft Sainsbury Road Reserve Management Plan
- Playground Data Project
- Fees and Charges 2023/24
- Land sale to Kāinga Ora
- Public Places Bylaw Review
- Waipā Cemetery Concept Plan
- Waste Minimisation and Management Plan
- Kihikihi skatepark
- Water Supply Bylaw

2023/24 Annual Plan

In March, Council agreed not to consult on the 2023/24 Annual Plan. Councils are only required to consult on Annual Plans when there are big changes to work programmes outlined in the Long-Term Plan. This year, we proposed an average rates increase of 6 per cent after growth for Waipā properties for the next financial year. Council’s 2021-2031 Long-Term Plan had budgeted a 3.7 per cent rates increase for the 2023/24 financial year. A significant increase in interest rates and rising inflation forced us to review this figure early in 2023, while ensuring the rates increase remained within limits set in Council’s Long-Term Plan.

Ahu Ake – Waipā Community Spatial Plan

Earlier in 2023, we visited 11 towns and villages across the district and held 15 events where we spoke with hundreds of residents about our future. We also received a lot of feedback via online channels and hard copy feedback.

We received around 1800 comments and surveys both online and in person at events, 200 pieces of feedback via our social media channels, and 23 responses from community groups and organisations across Waipā. We also heard from mana whenua representatives. In total, there was just over 2000 pieces of feedback.

Waste Minimisation and Management Plan

Every six years, we review our Waste Minimisation Plan. This is a mandatory process to enable Council to continue accessing the government’s waste levy, worth close to \$400,000 each year. It’s the waste levy which funds most of Council’s waste minimisation activities.

There were six main issues we asked feedback on, which included:

- How could we reduce food (organic) waste?
- Do we need to change the way we collect rubbish?
- How can we reduce recycling contamination?
- How can we support diverting construction and demolition waste?
- How we ensure we have right infrastructure?
- How can we get the most from national waste policy?

We heard from 350 submitters, and more than half of respondents wanted council to prioritise investigating a kerbside food scraps collection. At the same time, central government confirmed Council’s will need to collect food scraps by 2027. There’s plenty more work to be done here as we finish the rest of 2023 and head into 2024.

Social media, online and in-person

Community engagement and consultation is only one part of what we did.

We also welcomed our community’s thoughts, ideas and opinions through social media and other online channels, face-to-face interactions, and over the phones through our Customer Support team. Our Council Facebook following is on the rise with an increase of 13.9 per cent for the year, up to 12,800. We also saw a great influx of Antenno users. The app, that delivers Council messages right to your phone, saw an increase of 23.9 per cent, and as of June 2023, we’re just shy of 10,000 subscribers.

Our community pages, Waipā Home of Champions on Facebook and Waipā _NZ on Instagram also grew by 2.6 per cent and 5.6 per cent

respectively over the same period. Our followers on Council’s LinkedIn profile also increased to a following of 2,848, a 21 per cent increase.

Feeding back to Council

We love to hear from our community and always encourage feedback on our services, projects and activities. Whether you need information or want to share your thoughts, you can either visit one of our offices or contact us by phone, you can engage with your local councillor or community board member, email, Antenno or reach out via social media.



7.4 MĀORI INVOLVEMENT IN DECISION MAKING

Council fosters the development of Māori capacity to contribute to decision making by working within the ‘Policy for liaison with Māori and Joint Management Agreements’ and continuing to support the representative structure already put in place through Ngā Iwi Tōpū o Waipā. The Iwi Consultative Committee previously in place has yet to be reconvened in the current triennium pending the outcome of a review of Tangata Whenua engagement arrangements.

Council’s objectives (as captured in the Policy referenced above) are:

- Council is committed to ongoing development of the capacity of Māori to contribute to Council’s decision-making processes.
- Council is committed to decision-making processes that are robust, effective and transparent.

Council has an arrangement with Ngā Iwi Tōpū o Waipā, for the purpose of reviewing resource consent applications and considering other matters of significance. This arrangement recognises the mandate Ngā Iwi Tōpū o Waipā has in acting on behalf of most iwi and hapū of the district.

In May 2021 Council voted to establish a Māori Ward with one member from the 2022 local elections.

Te Kanohi representatives with voting rights have also been provided for on the Strategic Planning and Policy, Regulatory and Service Delivery, Committees of Council.

Council also has Joint Management Agreements in place with the Waikato-Tainui Trust Board, Te Nehenehenui Trust (formerly the Maniapoto Māori Trust Board) and the Raukawa Settlement Trust. We also have co-management responsibilities for some reserves through the Ngāti Koroki Kahukura Reserves Joint Management Board now known as Ngā Pae Whenua and with Ngāti Hauā for the Pukemako Reserve.

Council will continue to work in together with mana whenua/iwi as we move forward. Council puts priority on maintaining relationships with mana whenua/iwi and other key partners to enable community and economic growth.

7.5 COMMUNITY BOARDS

Waipa has two Community Boards and their role is to act as an advocate for their communities on council matters. The community boards are governed under the provisions of Local Government Act 2002. The community board meetings, held monthly, also have a public forum for members of the public to come and talk to them about concerns or ideas for the community. The

community boards have delegations from council to carry out duties including sister cities relationships (Cambridge) and to distribute the Waipa Community Discretionary Fund to community groups and organisations that apply for small projects.

Cambridge Community Board

The Cambridge Community Board covers the Cambridge and Maungatautari subdivisions.

Te Awamutu and Kihikihi Community Board

The Te Awamutu and Kihikihi Community Board covers the Te Awamutu and Kakepuku subdivisions.

7.6 OUR ORGANISATION

Our Chief Executive, Garry Dyet, is appointed by Council to manage Council operations and lead the Council's administrative organisation. The Chief Executive is legally responsible for

employing the staff required to carry out the responsibilities of Council. The number of staff, their positions and the organisational structure is determined by the Chief Executive. Our

organisational structure is based around five groups led by Group Managers plus the Human Resources team, the Manager of which also reports to the Chief Executive.

Our five business groups are:

- Business Support
- Customer and Community Services
- District Growth and Regulatory
- Strategy
- Service Delivery

Our Chief Executive is responsible for:

- advising the Mayor and Councillor's on policy matters
- making sure that any strategy and policy the Council adopts is correctly carried out
- and ensuring that our organisation is all heading in the same direction in supporting the realisation of Council's vision and community outcomes.



Garry Dyet
Chief Executive



Ken Morris
Deputy Chief Executive
Group Manager Business Support



Sally Sheedy
Group Manager Customer and Community
Services



Wayne Allan
Group Manager District Group
& Regulatory Services



Kirsty Downey
Group Manager Strategy



Dawn Inglis
Group Manager Service Delivery



Stephanie Shores
Manager Human Resources

7.8 THE WAY WE DO THINGS / OUR VALUES

Our values and Pou Tātaki - At Waipā District Council we are guided by a set of values that help shape who we are and what we stand for.

At Waipā our people are guided by a set of values that help shape who we are and what we stand for. Pou Tātaki is our organisational charter based upon our values. It makes the link between the work we do and how we do it. It provides us with clear expectations and tools to help us make good decisions and do the right thing for ourselves, each other and the community we serve.

Pou Tātaki and Our Values help guide our strategic and operational decision-making and set clear standards for how we represent our Council and interact with each other, our community and customers. Together they help us do great work. These values help us do great work so that we can deliver on our vision for Waipā to be the ‘Home of Champions – Building Connected Communities’.



7.9 MŌ Ō TATOU TĀNGATA / IT'S ALL ABOUT OUR PEOPLE

To achieve our vision to be the ‘Home of Champions – Building Connected Communities’ we need great people. At Waipā District Council we are a proud and diverse⁶⁷ workforce who are supported to thrive, grow and succeed.

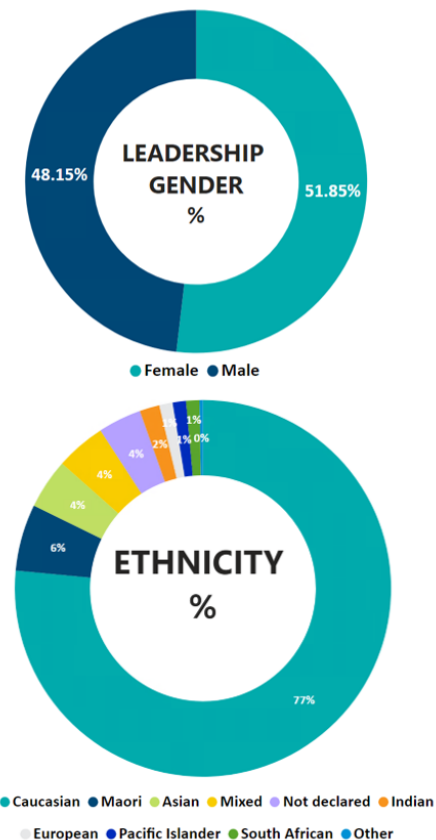
Health, Safety and Well-being

In order to serve our communities, we need to ensure our people are safe and well. Our value of ‘Being Safe and Well Matters’ focuses us on having strong health and safety practices in place and ensuring the well-being of our staff both in and out of the workplace. Staff across the organisation are supported by an effective Health and Safety Committee with staff representatives from each business unit. The committee focuses on the continuous improvement of Council’s safety practices.

Wellbeing is supported by a number of initiatives implemented to date including webinars, my everyday wellbeing messaging, and supporting National events. The Aotearoa Bike Challenge and Pink Shirt Day were well supported across Council and are now annual fixtures in the calendar.

Staff Engagement

Council’s yearly staff engagement survey was completed with the results showing strong engagement across staff, an average organisation score of 74% up from 72% last year. The survey received an amazing 87 percent response rate. The results are used to inform internal strategic priority areas for the forward year and specific team actions are included in yearly business plans. This year’s results indicated support for the initiatives that the Human Resources team is focusing on, centred around ensuring Council has a strong employee value proposition.



⁶⁷ Ethnicity as identified by employees during recruitment.

Learning and Development

A priority is on supporting the growth and development of our staff. Council learning management system to provide a platform to deliver e-learning e-learning modules have been delivered to date ranging from topics such as and Council’s duress processes. Leadership Training continues, building the across Council. A strong emphasis remains on increasing staff knowledge of elements of onsite learning and an offsite marae visit.

7.10 MANAGING OUR RISKS

Council has a strong risk management framework in place with a number assurance that Council is managing its risks appropriately.

Our top risks

Every year the Audit and Risk Committee, Councillors and the Leadership Team review and agree on a set of top risks, those risks that may stop Council from achieving its key strategic objectives. They also detail where Council will and will not take risk. These are actively managed throughout the year and their status reported to Council’s Audit and Risk Committee on a quarterly basis. These top risks are supported by Council’s risk appetite statement which outlines at a risk portfolio level the amount of risk Council is prepared to accept in pursuit of its objectives.

Business Resilience

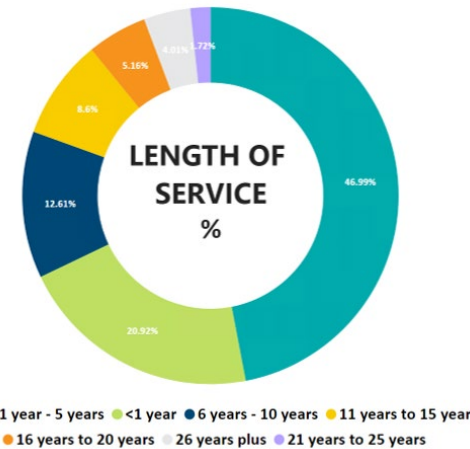
Business Resilience is the ability of an organisation to adapt and respond to risks and new circumstances. It in turn supports community resilience. Business Continuity, Crisis Management and Emergency Management are individual disciplines which

interconnect, supporting each other. Combined they provide the basis for Business Resilience here at Council. Council has an established and tested Crisis Management model. The model has been effectively used to manage our internal response to the closure of the Te Awamutu Annex and Museum, Cyclone Gabrielle and other incidents through the year to ensure the continued delivery of services to the community. All of these disciplines are underpinned by strong risk management practices.

Audit and Risk Committee

Council’s Audit and Risk Committee was established in 2015 and meets on a quarterly basis chaired by an independent external appointee.

The general objective of the Audit and Risk Committee is to assist and advise Waipā



recently implemented a across the workforce. Fifteen our values, risk management capability of people leaders Tikanga practices with

of components that provide

District Council on its responsibility and ownership for enterprise risk management, Council’s control and compliance framework, and its external accountability responsibilities.

Internal audit programme

Council has a comprehensive internal audit programme in place, managed by the Group Manager Business Support and overseen by the Audit and Risk Committee. Every three years a plan of strategic internal audits are agreed over a range of functions. The purpose of each audit is to ensure Council has the right balance of internal controls for our key processes and improves its maturity in key business functions over time. Each audit evaluates the effectiveness of the controls and provides recommendations as to how Council could improve. Follow up audits are also conducted to ensure that the improvements recommended have been successfully

implemented and Council has matured in key function areas.

Council currently has ten multi-year programmes underway in various stages including procurement and contract management, business resilience and risk

management, compliance management, activity management planning and project management. New programmes that commenced are building and resource consents and development contributions fees and charges, and climate change governance.

Climate change risk is a focus for Council to ensure effective governance of the initiatives underway across Council and to improve capability in understanding the risks and impacts on the organisation and the District. This will inform decision making.

7.11 STRIVING TO IMPROVE

Aligned with our values Council is continually looking at ways to improve performance on behalf of the community. Seeking to find new ways to improve both the effectiveness and efficiency of Council remained the focus of a number of internal priorities for the year. Below are several highlights.

Digital Capability

Council continued the delivery of its ‘Digital Roadmap’ with the objectives of enhancing digital capability in response to growing digital customer experience expectations and the objectives of creating efficiencies, lowering the cost of interactions and reducing risk due to business disruption. Highlights included the implementation of Council’s first learning management system, upgrading the financial system to leverage new functionality, welcoming a new staff intranet and automating Council’s Environmental Health inspection processes. Waipā’s staff digital literacy program continued to support staff to thrive in a digital based world.

Council’s Carbon Footprint

A comprehensive baseline of Council’s carbon footprint has been completed with monitoring now established on an annual basis with targets currently under review. Staff from across Council are part of a working group seeking to find innovative ways to reduce Council’s footprint with a number of initiatives underway to date. Council’s project management lifecycle is currently being reviewed to include carbon evaluation and monitoring elements from business case through to benefit realisation stages.

Policy and ByLaws

Council continued its program of reviewing external policies and bylaws. During the 2022/23 year, significant work was progressed on the review of the Public Places Bylaw, the Water Supply Bylaw and the Dog Control Bylaw.

Staff Engagement

Council’s yearly staff engagement survey was completed with the results showing strong and maintained levels of engagement across staff despite a challenging year. The survey received an amazing 91 percent response rate. The results are used to inform internal priority areas for the forward year. Results strongly supported a change in work practices based upon our COVID experience with a move to a blended working model where feasible. The implementation of a flexible working policy is now underway. Council continues to support a program of Tikanga training across staff which includes elements of onsite learning and an offsite marae visit. Leadership Training also continues, building the capability of people leaders across Council with a recent focus on managing a flexible workforce.

Procurement

Council continued to improve its procurement practices and evolve its approach over the last year to ensure that we are addressing the current market issues in a way that will make Council a client of choice. We continue to improve our contract management processes and regularly review our supporting documentation for staff.

We have engaged with our key contractors and included weightings in our evaluations that recognise those contractors who demonstrate how they will contribute to Waipā through employment, training, use of local supply chain and subcontractors.

7.12 INDEPENDENT AUDITORS REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

INDEPENDENT AUDITOR'S REPORT

To the readers of Waipā District Council's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of Waipā District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, René van Zyl, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 29 to 34 and pages 37 to 112:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2023;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 35 to 36, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- statement of service performance information on pages 147 to 172:
 - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 113 to 146, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s Long-term plan; and
- the funding impact statement for each group of activities on pages 113 to 146, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 22 to 27, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to uncertainty over the water services reform programme. In addition, we outline the responsibilities of the District Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter – Uncertainty over the water services reform programme

Without modifying our opinion, we draw attention to Note 1 on pages 39 and 40, which outlines developments in the Government’s water services reform programme which will affect the District Council in future years.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities’ establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in note 1 remains uncertain until the relevant water services entity’s establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the “Responsibilities of the auditor for the audited information” section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the District Council for the audited information

The District Council is responsible for meeting all legal requirements that apply to its annual report.

The District Council’s responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The District Council is responsible for such internal control as it determines is necessary to enable it to prepare the information, we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the District Council is responsible for assessing its ability to continue as a going concern. The District Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the District Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance information as a reasonable basis for assessing the levels of service achieved and reported by the District Council.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the District Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the District Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The District Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 21, 28, 173 to 185 and pages 187 to 189, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of a limited assurance engagement related to the District Council's debenture trust deed, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council.

A handwritten signature in black ink, appearing to read "René van Zyl".

René van Zyl

Audit New Zealand

On behalf of the Auditor-General

Auckland, New Zealand

GLOSSARY AND ABBREVIATIONS

Glossary

- **Activity:** Services provided by or on behalf of Council.
- **Amortisation:** The reduction of the value of an asset by prorating its cost over a period of years.
- **Annual Plan:** Contains details of Council’s action plan for the next financial year, the budget and the level of rates required to fund that spending. It also contains details of any variation from the financial statements and funding impact statement that are included in Council’s current 10-Year Plan.
- **Annual report:** Report prepared once a year to assess Council’s performance against its objectives, activities, performance targets and budgets as outlined in the 10-Year Plan.
- **Asset:** A resource; Council’s asset ownership extends over land, buildings, plant, equipment, forestry and infrastructure such as roads, bridges, footpaths, sewerage schemes, water supply and stormwater reticulation.
- **Capital Expenditure:** Money spent to build or buy a new asset, or to improve the standard of any existing asset.
- **Community:** A group of individuals and organisations that are linked together by some common factor, interest, identity or administrative boundary.
- **Community Outcomes:** The outcomes that a local authority aims to achieve for its community and district in the present and for the future.
- **Community Wellbeing:** The overall wellbeing (quality of life) of the community taking into account economic, cultural, social and environmental wellbeing.
- **Council Controlled Organisations:** A company or entity in which one or more local authority has a shareholding of 50% or more, voting rights of 50% or more, or the right to appoint 50% or more of the directors. Section 6(4) of the Local Government Act 2002 details entities which are exceptions.
- **Development Contributions:** Payment from developers to help fund new infrastructure required by growth (as set out in the Local Government Act 2002).
- **District Plan:** Required by the Resource Management Act 1991, it defines how resources and development will be managed by the district. The Plan is based on economic, cultural, social and environmental wellbeing.
- **Equity:** The market value of assets less any liabilities.
- **Funding Impact Statement:** A financial statement that discloses the revenue and financial mechanisms that Council proposes to use.
- **Future Proof:** The term used to refer to the growth strategy that is being prepared for the sub-region. Included in the sub-region are the following authorities – Waipa District Council, Waikato District Council, Waikato Regional Council, Hamilton City Council and Matamata Piako District Council.
- **General Rate:** A charge calculated using the rateable value of property that is paid to Council to fund its general services but not services funded by targeted rate, fees or charges.
- **Governance:** Is how Council engages with the community, oversees the effective and responsible management of resources, delivers services and sets the strategic direction for the district.
- **Hapū:** A cluster of related whānau (extended family), descended from a single ancestor that has collective decision-making rights over its territory.
- **Indicator:** A measure or combination of measures, either qualitative or

quantitative, against which performance or progress can be assessed.

- **Interest:** Interest on bank accounts, overdrafts and debt.
- **Iwi:** Larger than the hapū - A cluster of related hapū, descended from a single ancestor, varying in size.
- **Levels of Service (LOS):** The extent of a service provided by Council.
- **Local Authority:** A regional, district or city council.
- **Local Government Act 2002:** The legislation that defines the powers and responsibilities of Local Government organisations (regional, city and district councils).
- **Long Term Plan (LTP):** Refer to 10-Year Plan.
- **Ngā Iwi Tōpū o Waipā:** A representative group of local tangata whenua, made up of mandated hapū representatives appointed by relevant Marae committees.
- **Operating Costs:** These are costs to run Council's services on a day-by-day basis and range from maintenance of infrastructure to staff salaries.

Abbreviations:

- **ETS:** Emissions Trading Scheme
- **GST:** Good and Services Taxation
- **LGA:** Local Government Act 2022
- **LGFA:** Local Government Funding Agency
- **NZ GAAP:** Generally accepted accounting practice in New Zealand

- **Partnership:** This refers to the Council's relationship with groups within the community to achieve outcomes. This does not refer to a legal partnership.
- **Passenger Transport:** Can also be referred to as public transport – includes buses.
- **Rates:** Rates are what each property owner pays for the services provided by councils. The charge is set in accordance to the Local Government (Rating) Act 2002.
- **Renewals:** Activities required to upgrade, refurbish or replace current facilities or assets, with facilities or assets of equivalent capability or service potential.
- **Revenue:** Revenue received by Council to fund the services it provides. Revenue sources include – rates; fees and charges for using a particular service; penalties and fines; and grants and subsidies.
- **Shared service:** Waikato Mayoral Forum initiative to share costs across the region where possible through Local Authority Shared Services Limited.

- **NZTA:** New Zealand Transport Agency
- **PBE:** Public benefit entity
- **PPE:** Property, plant and equipment
- **SVDS:** Shared Valuation Data Service
- **WLASS:** Waikato Local Authority Shared Services Limited

- **Strategy:** A plan of action designed to guide progress towards the long-term vision.
- **Tangata Whenua:** Māori people who belong to a particular area by ancestral connection.
- **Targeted Rate:** A rate that is levied to fund a particular service or facility.
- **Ward:** An administrative and electoral area of the district. There are four wards in our district – Cambridge; Te Awamutu; Pirongia Kakepuku and Maungatautari. There is also a Maori ward for electoral purposes.
- **Vested Assets:** An existing right to the immediate or future possession of property, resources, cash, stock and goodwill.
- **10-Year Plan:** A strategic plan, covering at least 10 years, that describes a local authority's activities and the community outcomes of the authority's district or region. A council's 10-Year Plan is the basis for its accountability to the community.

- **WRAL:** Waikato Regional Airport Limited
- **WRTM:** Waikato Regional Transportation Model



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